

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SENATE BILL 1031

AN ACT

MAKING APPROPRIATIONS AND OPERATING ADJUSTMENTS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Subject to applicable laws, the sums or sources of revenue set forth in this act are appropriated for the fiscal years indicated and only from the funding sources listed for the purposes and objects specified and the performance measures are indicated as legislative intent. If monies from funding sources in this act are made unavailable, no other funding source shall be used.

Sec. 2. DEPARTMENT OF ADMINISTRATION

	<u>2008-09</u>
<u>State general fund</u>	
FTE positions	301.3
Operating lump sum appropriation	\$ 19,043,900
ENSCO	2,867,300
Arizona financial information system	1,115,200
Statewide telecommunications management contract lease payment	851,800
Utilities	625,700
County attorney immigration enforcement	<u>2,430,000</u>
Total - general fund	\$ 26,933,900
Performance measures:	
Per cent of ADOA services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	85
Per cent of procurement plan award dates met for the RFP process	77
Customer satisfaction with establishing contracts (Scale 1-8)	6.9
Customer satisfaction with administering contracts (Scale 1-8)	6.7
Customer satisfaction rating for the operation of AFIS (Scale 1-8)	7.5
Average capitol police response time to emergency calls (in minutes and seconds)	1:40

The department may collect an amount of not to exceed \$1,762,600 from other funding sources, excluding federal funds, to recover pro rata costs of operating AFIS II. Any amounts left unspent from the Arizona financial information system line item shall revert to the state general fund.

The \$2,430,000 appropriated to the county attorney immigration enforcement line item shall be distributed as follows: \$1,430,000 to each county attorney of a county in this state having a population of 1,500,000 or more persons and \$500,000 to each county attorney of a county in this state having a population of 800,000 or more persons but less than 1,500,000

persons. The remainder of the monies are to be distributed as equally as possible to each county attorney of counties in this state having a population of less than 500,000 persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing section 23-212, Arizona Revised Statutes. These appropriations are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Air quality fund

Lump sum appropriation \$ 800,200

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)

6.7

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund

FTE positions 56.7

Operating lump sum appropriation \$ 5,159,900

Utilities 7,349,900

Relocation 60.000

Total - capital outlay stabilization fund

\$ 12,569,800

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8)

6.5

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2009.

Corrections fund

FTE positions 9.3

Lump sum appropriation \$ 677,300

The intent of the legislature is for the amount appropriated from the corrections fund to be expended solely for the oversight of construction projects benefiting the state department of corrections or the department of juvenile corrections.

Motor vehicle pool revolving fund

FTE positions 19.0

Lump sum appropriation \$ 10,765,200

1 Performance measures:
 2 Customer satisfaction with short-term (day use)
 3 vehicle rental (Scale 1-8) 7.7
 4 It is the intent of the legislature that the department not replace
 5 vehicles until an average of 120,000 miles, or more.
 6 Telecommunications fund
 7 FTE positions 22.0
 8 Lump sum appropriation \$ 2,905,600
 9 Performance measures:
 10 Customer satisfaction rating for the wide area
 11 network (MAGNET) (Scale 1-8) 6.4
 12 Customer satisfaction rating for statewide
 13 telecommunications management contract
 14 services (Scale 1-8) 6.0
 15 Information technology fund
 16 FTE positions 7.3
 17 Lump sum appropriation \$ 1,000,000
 18 Automation operations fund
 19 FTE positions 158.4
 20 Lump sum appropriation \$ 22,102,400
 21 Performance measures:
 22 Customer satisfaction rating for mainframe
 23 services based on annual survey (Scale 1-8) 7.0
 24 The appropriation for the automation operations fund is an estimate
 25 representing all monies, including balance forward, revenue and transfers
 26 during fiscal year 2008-2009. These monies are appropriated to the
 27 department of administration for the purposes established in section 41-711,
 28 Arizona Revised Statutes. The appropriation shall be adjusted as necessary
 29 to reflect receipts credited to the automation operations fund for automation
 30 operation center projects. Expenditures for all additional automation
 31 operation center projects above the \$22,102,400 appropriation shall be
 32 subject to review by the joint legislative budget committee, following
 33 approval of the government information technology agency. Expenditures for
 34 each additional project shall not exceed the specific revenues of that
 35 project.
 36 Risk management fund
 37 FTE positions 96.0
 38 Operating lump sum appropriation \$ 7,990,800
 39 Risk management losses and premiums 45,371,300
 40 Workers' compensation losses and
 41 premiums 30,112,300
 42 External legal services 5,592,200
 43 Nonlegal related expenditures 3,153,900
 44 Total - risk management fund \$ 92,220,500

1	Performance measures:	
2	Workers' compensation incidence rates/100	
3	FTE positions	4.1
4	Customer satisfaction with self-insurance	
5	(Scale 1-8)	7.5
6	<u>Personnel division fund</u>	
7	FTE positions	139.0
8	Operating lump sum appropriation	\$ 12,966,500
9	Human resources information solution	
10	certificate of participation	<u>4,354,000</u>
11	Total - personnel division fund	\$ 17,320,500
12	Performance measures:	
13	Customer satisfaction with employee training	
14	(Scale 1-8)	6.1
15	<u>Special employee health insurance</u>	
16	<u>trust fund</u>	
17	FTE positions	39.0
18	Operating lump sum appropriation	\$ 4,776,900
19	Employee wellness program	<u>300,000</u>
20	Total - special employee health	
21	insurance trust fund	\$ 5,076,900
22	Performance measures:	
23	Customer satisfaction with benefit plans	
24	(Scale 1-8)	6.2
25	<u>State surplus materials revolving</u>	
26	<u>fund</u>	
27	FTE positions	16.0
28	Operating lump sum appropriation	\$ 1,161,900
29	State surplus property sales	
30	proceeds	<u>3,000,000</u>
31	Total - state surplus materials	
32	revolving fund	\$ 4,161,900
33	All state surplus property sales proceeds received by the department in	
34	excess of \$3,000,000 are appropriated. Before the expenditure of any state	
35	surplus property sales proceeds in excess of \$3,000,000, the department shall	
36	report the intended use of the monies to the joint legislative budget	
37	committee.	
38	<u>Federal surplus materials revolving</u>	
39	<u>fund</u>	
40	FTE positions	7.0
41	Lump sum appropriation	<u>\$ 444,300</u>
42	Total appropriation - department of	
43	administration	\$196,978,500

1 Fund sources:
 2 State general fund \$ 26,933,900
 3 Other appropriated funds 170,044,600
 4 Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
 5 2008-09
 6 Administration
 7 FTE positions 3,167.8
 8 Operating lump sum appropriation \$ 70,107,600
 9 DOA data center charges 5,717,500
 10 DES eligibility 55,687,400
 11 DES title XIX pass-through 357,800
 12 Healthcare group administration
 13 and reinsurance 6,521,000
 14 Indian advisory council 232,900
 15 Office of administrative hearings 271,300
 16 KidsCare - administration 7,411,100
 17 Proposition 204 - AHCCCS
 18 administration 11,401,700
 19 Proposition 204 - DES
 20 eligibility 40,229,100
 21 Claims computer system replacement 2,090,900
 22 DES eligibility system upgrade 2,600,000
 23 Total appropriation and expenditure
 24 authority - administration \$202,628,300
 25 Fund sources:
 26 State general fund \$ 86,692,400
 27 Budget neutrality compliance
 28 fund 2,841,000
 29 Children's health insurance
 30 program fund 5,640,900
 31 Healthcare group fund 6,521,000
 32 Expenditure authority 100,933,000
 33 Performance measures:
 34 Per cent of applications processed on time 95
 35 Customer satisfaction rating for eligibility
 36 determination clients (Scale 1-8) 6.0
 37 The amounts appropriated for the department of economic security
 38 eligibility line item shall be used for intergovernmental agreements with the
 39 department of economic security for the purpose of eligibility determination
 40 and other functions. The general fund share may be used for eligibility
 41 determination for other programs administered by the division of benefits and
 42 medical eligibility based on the results of the Arizona random moment
 43 sampling survey.

1	<u>Acute care</u>	
2	Capitation	\$2,135,865,900
3	Reinsurance	134,202,200
4	Fee-for-service	577,716,600
5	Medicare premiums	96,275,300
6	Graduate medical education	44,906,200
7	Temporary medical coverage	11,597,200
8	Disproportionate share payments	30,350,000
9	Critical access hospitals	1,700,000
10	Hospital residency loan program	1,000,000
11	Breast and cervical cancer	1,530,000
12	Ticket to work	8,913,400
13	Dual eligible part D copay subsidy	1,029,700
14	Proposition 204 - capitation	1,205,445,600
15	Proposition 204 - reinsurance	129,920,200
16	Proposition 204 - fee-for-service	243,375,100
17	Proposition 204 - medicare	
18	premiums	31,316,900
19	Proposition 204 - county hold	
20	harmless	4,825,600
21	KidsCare - children	145,267,700
22	Rural hospital reimbursement	12,158,100
23	Medicare clawback payments	<u>28,844,600</u>
24	Total appropriation and expenditure	
25	authority - acute care	\$4,846,240,300
26	Fund sources:	
27	State general fund	\$1,229,528,500
28	Children's health insurance	
29	program fund	112,270,900
30	Tobacco tax and health care	
31	fund - medically needy	
32	account	62,886,200
33	Tobacco products tax fund -	
34	emergency health services	
35	account	25,716,500
36	Temporary medical coverage fund	3,247,200
37	Expenditure authority	3,412,591,000
38	Performance measures:	
39	Per cent of AHCCCS children receiving well	
40	child visits in the first 15 months of	
41	life (EPSDT)	60
42	Per cent of AHCCCS children's access to	
43	primary care provider	85

1 Per cent of AHCCCS women receiving annual
2 cervical screening 60

3 Member satisfaction as measured by
4 percentage of enrollees that choose
5 to change health plans 2.0

6 The \$30,350,000 appropriation for disproportionate share payments for
7 fiscal year 2008-2009 made pursuant to section 36-2903.01, subsection P,
8 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa County
9 Healthcare District and \$26,147,700 for private qualifying disproportionate
10 share hospitals.

11 Of the \$4,825,600 appropriated for the proposition 204 county hold
12 harmless line item, \$234,200 is allocated to Graham county, \$3,817,800 to
13 Pima county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800
14 to Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in
15 revenue due to the implementation of proposition 204, and shall be used for
16 indigent health care costs.

17 Long-term care

18	Program lump sum appropriation	\$1,184,799,700
19	Medicare clawback payments	20,740,900
20	Dual eligible part D copay	
21	subsidy	470,300
22	Board of nursing	<u>209,700</u>
23	Total appropriation and expenditure	
24	authority - long-term care	\$1,206,220,600
25	Fund sources:	
26	State general fund	\$ 142,079,400
27	Budget neutrality compliance fund	\$ 22,351,500
28	Expenditure authority	1,041,789,700
29	Performance measures:	
30	Per cent of members utilizing home and	
31	community based services (HCBS)	67
32	Per cent of ALTCS eligibility as measured by	
33	quality control sample	99

34 Any federal funds that the Arizona health care cost containment system
35 administration passes through to the department of economic security for use
36 in long-term administration care for the developmentally disabled shall not
37 count against the long-term care expenditure authority above.

38 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
39 county portion of the fiscal year 2008-2009 nonfederal portion of the costs
40 of providing long-term care system services is \$257,987,800. This amount is
41 included in the expenditure authority fund source.

42 Monies from the budget neutrality compliance fund may be used to
43 support the Arizona long-term care system.

1	Agencywide lump sum reduction	\$(161,140,400)
2	Fund sources:	
3	State general fund	\$ (80,570,200)
4	Expenditure authority	\$ (80,570,200)
5	Total appropriation and expenditure	
6	authority - Arizona health	
7	care cost containment system	\$6,093,948,800
8	Appropriated fund sources:	
9	State general fund	\$1,377,730,100
10	Budget neutrality compliance fund	25,192,500
11	Children's health insurance	
12	program fund	117,911,800
13	Healthcare group fund	6,521,000
14	Tobacco products tax fund -	
15	emergency health services	
16	account	25,716,500
17	Tobacco tax and health care	
18	fund - medically needy account	62,886,200
19	Temporary medical coverage fund	3,247,200
20	Expenditure authority	\$4,474,743,500
21	Performance measures:	

22	Per cent of people under age 65 that	
23	are uninsured	15.5

24 Before making fee-for-service program or rate changes that pertain to
 25 hospital, nursing facility or home and community based services rates or for
 26 any of the other fee-for-service rate categories that have increases that, in
 27 the aggregate, are two per cent above and \$1,500,000 from the state general
 28 fund greater than budgeted medical inflation in fiscal year 2008-2009, the
 29 Arizona health care cost containment system administration shall report its
 30 expenditure plan for review by the joint legislative budget committee.

31 The Arizona health care cost containment system administration shall
 32 report to the joint legislative budget committee by March 1 of each year on
 33 the preliminary actuarial estimates of the capitation rate changes for the
 34 following fiscal year along with the reasons for the estimated changes. For
 35 any actuarial estimates that include a range, the total range from minimum to
 36 maximum shall be no more than two per cent. Before implementation of any
 37 changes in capitation rates, the Arizona health care cost containment system
 38 administration shall report its expenditure plan for review by the joint
 39 legislative budget committee. Before the administration implements any
 40 changes in policy affecting the amount, sufficiency, duration and scope of
 41 health care services and who may provide services, the administration shall
 42 prepare a fiscal impact analysis on the potential effects of this change on
 43 the following year's capitation rates. If the fiscal analysis demonstrates
 44 that these changes will result in additional state costs of \$500,000 or

greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

For the contract year beginning October 1, 2008, the administration may expend funds for federally-matched preventive adult dental services of up to \$1,000 per ALTCS member and federally-matched hospice services to non-ALTCS members.

Sec. 4. ARIZONA COMMUNITY COLLEGES

	<u>2008-09</u>
<u>Equalization aid</u>	
Cochise	\$ 5,648,800
Graham	14,308,100
Navajo	5,216,000
Yuma/La Paz	<u>1,870,300</u>
Total - equalization aid	\$ 27,043,200
<u>Operating state aid</u>	
Cochise	\$ 8,040,400
Coconino	3,142,700
Gila	690,500
Graham	4,983,000
Maricopa	53,223,100
Mohave	3,934,700
Navajo	4,017,400
Pima	18,100,700
Pinal	5,669,000
Yavapai	4,748,200
Yuma/La Paz	<u>5,219,800</u>
Total - operating state aid	\$111,769,500
Rural county reimbursement subsidy	<u>\$ 1,200,000</u>
Total appropriation - Arizona community colleges	\$140,012,700
Fund sources:	
State general fund	\$140,012,700
Performance measures:	

Number of applied baccalaureate programs

collaboratively developed with universities 34

Of the \$1,200,000 appropriated to the rural county reimbursement subsidy line item, Apache county will receive \$559,200, Greenlee county \$459,300, and Santa Cruz county \$181,500.

Sec. 5. DEPARTMENT OF CORRECTIONS

	<u>2008-09</u>
FTE positions	9,932.5
Correctional officer personal services	\$289,976,900
Health care personal services	37,449,400
All other personal services	71,794,000
Employee-related expenditures	160,727,900

1	Personal services and employee-related	
2	expenditures for overtime/compensatory	
3	time	24,331,400
4	Health care all other operating	
5	expenditures	86,607,900
6	Non-health care all other operating	
7	expenditures	<u>122,035,700</u>
8	Total - operating budget	\$792,923,200
9	Fund sources:	
10	State general fund	\$778,044,400
11	State education fund for	
12	correctional education	429,900
13	Alcohol abuse treatment fund	599,300
14	Penitentiary land fund	198,700
15	State charitable, penal and	
16	reformatory institutions	
17	land fund	1,240,500
18	Corrections fund	380,400
19	Transition office fund	180,000
20	Transition program drug treatment	
21	fund	600,000
22	Prison construction and operations	
23	fund	11,250,000
24	County jail beds	\$ 866,200
25	Fund sources:	
26	State general fund	\$ 866,200
27	New state prison beds	\$ 2,822,000
28	Fund sources:	
29	State charitable, penal and	
30	reformatory land fund	\$ 2,822,000
31	Private prison per diem	\$ 82,952,600
32	Fund sources:	
33	State general fund	\$ 52,478,300
34	Corrections fund	28,674,300
35	Penitentiary land fund	1,000,000
36	Prison construction and	
37	operations fund	800,000
38	Provisional beds	\$102,902,900
39	Fund sources:	
40	State general fund	\$ 98,846,700
41	Prison construction and	
42	operations fund	3,000,000
43	Penitenitary land fund	1,056,200

1 Performance measures:

2 Escapes from secure facilities 0

3 Number of inmates receiving the general
4 equivalency diploma 2,500

5 Number of inmate random positive
6 urinalysis results 1,400

7 The personal services and employee-related expenditures for
8 overtime/compensatory time line item includes monies for personal services
9 and employee related expenditure costs from overtime and compensatory time
10 payouts accrued by department employees in fiscal year 2008-2009.

11 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
12 any transfer to or from the amounts appropriated for county jail beds, new
13 state prison beds, personal services and employee-related expenditures for
14 overtime/compensatory time, private prison per diem or provisional beds line
15 items shall require review by the joint legislative budget committee.

16 Before altering its bed capacity by closing state-operated prison beds,
17 canceling or not renewing contracts for privately-operated prison beds, the
18 department of corrections shall submit a bed plan detailing the proposed bed
19 closures for review by the joint legislative budget committee.

20 Before placing any additional inmates in out-of-state provisional beds,
21 the department shall place inmates in all available prison beds in facilities
22 that are located in Arizona and that house Arizona inmates, unless the
23 out-of-state provisional beds are of a comparable security level and price.

24 A monthly report comparing department of corrections expenditures for
25 the month and year-to-date as compared to prior year expenditures shall be
26 forwarded to the president of the senate, the speaker of the house of
27 representatives, the chairpersons of the senate and house of representatives
28 appropriations committees and the director of the joint legislative budget
29 committee by the thirtieth of the following month. The report shall include
30 at least each line item of appropriation and the main components of all other
31 operating expenditures. The report shall include an estimate of potential
32 shortfalls, potential surpluses that may be available to offset these
33 shortfalls and a plan, if necessary, for eliminating any shortfall without a
34 supplemental appropriation.

35 Department of corrections personnel in the correctional officer series
36 who receive a geographic stipend shall not retain the geographic stipend
37 associated with that facility when transferring to other department
38 facilities.

39 One hundred per cent of land earnings and interest from the
40 penitentiary land fund shall be distributed to the state department of
41 corrections in compliance with the enabling act and the Constitution of
42 Arizona to be used for the support of state penal institutions.

43 Twenty-five per cent of land earnings and interest from the state
44 charitable, penal and reformatory institutions land fund shall be distributed
45 to the state department of corrections in compliance with the enabling act

1 and the Constitution of Arizona to be used for the support of state penal
2 institutions.

3 Before the expenditure of any state education fund for correctional
4 education receipts in excess of \$429,900, the department of corrections shall
5 report the intended use of the monies to the director of the joint
6 legislative budget committee.

7 The department of corrections shall work with the department of public
8 safety's gang and immigration intelligence team enforcement mission to combat
9 gang activity. The department of corrections and the department of public
10 safety shall report jointly to the joint legislative budget committee by
11 December 1, 2008 on their collaborative efforts and procedures.

12 Sec. 6. DEPARTMENT OF ECONOMIC SECURITY

13		<u>2008-09</u>
14	<u>Administration</u>	
15	FTE positions	302.2
16	Operating lump sum appropriation	\$ 44,154,300
17	Fund sources:	
18	State general fund	\$ 34,605,500
19	Federal child care and	
20	development fund block grant	1,147,600
21	Federal temporary assistance	
22	for needy families block grant	6,023,900
23	Public assistance collections	
24	fund	408,100
25	Special administration fund	621,000
26	Spinal and head injuries trust	
27	fund	89,000
28	Statewide cost allocation plan	
29	fund	1,000,000
30	Federal Reed act grant	259,200
31	Finger imaging	\$ 738,900
32	Fund sources:	
33	State general fund	\$ 461,400
34	Federal temporary assistance	
35	for needy families block	
36	grant	277,500
37	Attorney general legal services	\$ 1,049,800
38	Fund sources:	
39	State general fund	\$ 755,700
40	Federal child care and development	
41	fund block grant	17,300
42	Federal temporary assistance for	
43	needy families block grant	167,900

Public assistance collections

fund		108,900
Triagency disaster recovery	\$	271,500
Fund sources:		
Risk management fund	\$	271,500

In accordance with section 35-142.01, Arizona Revised Statutes, the department of economic security shall remit to the department of administration any monies received as reimbursement from the federal government or any other source for the operation of the department of economic security west building and any other building lease-purchased by the state of Arizona in which the department of economic security occupies space. The department of administration shall deposit these monies in the state general fund.

In accordance with section 38-654, Arizona Revised Statutes, the department of economic security shall transfer to the department of administration for deposit in the special employee health insurance trust fund any unexpended state general fund monies at the end of each fiscal year appropriated for employer health insurance contributions.

Developmental disabilities

FTE positions		1,921.9
Operating lump sum appropriation	\$	38,744,800
Fund sources:		
State general fund	\$	16,013,700
Expenditure authority		22,731,100
Case management - Title XIX	\$	42,630,900
Fund sources:		
State general fund	\$	14,546,700
Expenditure authority		28,084,200
Home and community based services - Title XIX		\$629,873,200
Fund sources:		
State general fund		\$214,965,200
Expenditure authority		414,908,000
Institutional services - Title XIX	\$	15,164,800
Fund sources:		
State general fund	\$	5,174,600
Expenditure authority		9,990,200
Medical services		\$135,103,500
Fund sources:		
State general fund	\$	46,100,700
Expenditure authority		89,002,800
Arizona training program at Coolidge - Title XIX	\$	17,083,200

1	Fund sources:	
2	State general fund	\$ 5,829,200
3	Expenditure authority	11,254,000
4	Medicare clawback payments	\$ 2,206,600
5	Fund sources:	
6	State general fund	\$ 2,206,600
7	Case management - State-only	\$ 4,537,600
8	Fund sources:	
9	State general fund	\$ 4,537,600
10	Home and community based	
11	services - State-only	\$ 37,776,400
12	Fund sources:	
13	State general fund	\$ 35,873,900
14	Long-term care system fund	1,902,500
15	Institutional services - State-only	\$ 294,900
16	Fund sources:	
17	State general fund	\$ 294,900
18	Arizona training program at	
19	Coolidge - State-only	\$ 572,400
20	Fund sources:	
21	State general fund	\$ 572,400
22	State-funded long-term care	
23	services	\$ 26,383,200
24	Fund sources:	
25	State general fund	\$ 762,900
26	Long-term care system fund	25,620,300
27	Autism training and oversight	\$ 200,000
28	Fund sources:	
29	Tobacco tax and healthcare -	
30	health research account	\$ 200,000
31	Children's autism intensive	
32	behavioral treatment services	\$ 1,800,000
33	Fund sources:	
34	State general fund	\$ 1,800,000
35	Children's autism intensive early	
36	intervention services for toddlers	\$ 500,000
37	Fund sources:	
38	State general fund	\$ 500,000
39	Performance measures:	
40	Per cent of consumer satisfaction with	
41	case management services	98

1	Per cent of relatives and caregivers of	
2	consumers stating the services received	
3	meet the consumer's needs	95
4	Per cent of relatives and caregivers satisfied	
5	with the providers of services received	95

6 It is the intent of the legislature that any available surplus monies
7 for developmental disability programs be applied toward the waiting list,
8 unless there are insufficient monies to annualize these costs in the
9 subsequent year. The children's waiting list shall receive first priority.
10 The amount appropriated for developmental disabilities shall be used to
11 provide for services for nontitle XIX eligible clients. The amount shall not
12 be used for other purposes, unless a transfer of monies is reviewed by the
13 joint legislative budget committee.

14 The department of economic security shall report all new placements
15 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
16 in fiscal year 2008-2009 to the president of the senate, the speaker of the
17 house of representatives, the chairpersons of the senate and house of
18 representatives appropriations committees and the director of the joint
19 legislative budget committee and the reason why this placement, rather than a
20 placement into a privately run facility for the developmentally disabled, was
21 deemed as the most appropriate placement. The department shall also report
22 if no new placements were made. This report shall be made available by July
23 15, 2009.

24 The department shall report to the joint legislative budget committee
25 by March 1 of each year on preliminary actuarial estimates of the capitation
26 rate changes for the following fiscal year along with the reasons for the
27 estimated changes. For any actuarial estimates that include a range, the
28 total range from minimum to maximum shall be not more than two per cent.
29 Before implementation of any changes in capitation rates for the long-term
30 care program, the department of economic security shall report for review the
31 expenditure plan to the joint legislative budget committee. Before the
32 department implements any changes in policy affecting the amount,
33 sufficiency, duration and scope of health care services and who may provide
34 services, the department shall prepare a fiscal impact analysis on the
35 potential effects of this change on the following year's capitation rates.
36 If the fiscal analysis demonstrates that these changes will result in
37 additional state costs of \$500,000 or greater for a given fiscal year, the
38 department shall submit the policy changes for review by the joint
39 legislative budget committee.

40 The appropriated amount provides funding for a fiscal year 2008-2009
41 capitation rate increase of 3.0 per cent above fiscal year 2007-2008
42 excluding salary, benefits, and other statewide adjustments. The department
43 shall reallocate resources within its existing budget to pay for any
44 capitation rate increases above 4.0 per cent excluding salary, benefits, and
45 other statewide adjustments without supplemental funding.

Prior to the implementation of any developmentally disabled or long-term care statewide provider rate increases not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee. The report shall include, at a minimum, the estimated cost of the provider rate increase and the ongoing source of funding for the increase.

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2008-2009 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

Benefits and medical eligibility

FTE positions	575.6
Operating lump sum appropriation	\$ 34,230,200
Fund sources:	
State general fund	\$ 23,851,900
Federal temporary assistance	
for needy families block grant	10,378,300
Temporary assistance for	
needy families cash	
benefits	\$125,148,000
Fund sources:	
State general fund	\$ 45,850,800
Federal temporary assistance	
for needy families block	
grant	79,297,200
General assistance	\$ 2,060,800
Fund sources:	
State general fund	\$ 2,060,800
Tribal pass-through funding	\$ 4,288,700
Fund sources:	
State general fund	\$ 4,288,700
Tuberculosis control payments	\$ 32,200
Fund sources:	
State general fund	\$ 32,200
Document management	\$ 494,600
Fund sources:	
State general fund	\$ 494,600
Eligibility system upgrade	\$ 963,300
Fund sources:	
State general fund	\$ 963,300
Performance measures:	
Per cent of cash benefits issued timely	98.6
Per cent of total cash benefits payments	
issued accurately	95.0

1 Per cent of total food stamps payments
 2 issued accurately 96.0

3 Per cent of clients satisfied with family
 4 assistance administration 90.0

5 The operating lump sum appropriation may be expended on Arizona health
 6 care cost containment system eligibility determinations based on the results
 7 of the Arizona random moment sampling survey.

8 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 9 any transfer to or from the \$125,148,000 appropriated for temporary
 10 assistance for needy families cash benefits requires review by the joint
 11 legislative budget committee.

12 Of the amount appropriated for temporary assistance for needy families
 13 cash benefits, \$500,000 reflects appropriation authority only to ensure
 14 sufficient cashflow to administer cash benefits for tribes operating their
 15 own welfare programs. The department shall notify the joint legislative
 16 budget committee and the governor's office of strategic planning and
 17 budgeting staff before the use of any of the \$500,000 appropriation
 18 authority.

19 Child support enforcement

20 FTE positions 863.8

21 Operating lump sum appropriation \$ 48,729,300

22 Fund sources:

23 State general fund \$ 8,087,000

24 Child support enforcement

25 administration fund 11,310,400

26 Expenditure authority 29,331,900

27 Genetic testing \$ 360,000

28 Fund sources:

29 State general fund \$ 122,400

30 Expenditure authority 237,600

31 County participation \$ 6,845,200

32 Fund sources:

33 Child support enforcement

34 administration fund \$ 1,384,100

35 Expenditure authority 5,461,100

36 Attorney general legal services \$ 9,922,500

37 Fund sources:

38 State general fund \$ 910,600

39 Child support enforcement

40 administration fund 2,425,100

41 Expenditure authority 6,586,800

1 Performance measures:

2 Total IV-D collections \$370,700,000

3 Ratio of current IV-D support collected

4 and distributed to current IV-D support

5 due 50.4

6 All state share of retained earnings, fees and federal incentives above
 7 \$15,119,600 received by the division of child support enforcement are
 8 appropriated for operating expenditures. New full-time equivalent positions
 9 may be authorized with the increased funding. The division of child support
 10 enforcement shall report the intended use of the monies to the president of
 11 the senate, the speaker of the house of representatives, the chairpersons of
 12 the senate and house of representatives appropriations committees and the
 13 director of the joint legislative budget committee and the director of the
 14 governor's office of strategic planning and budgeting.

15 Aging and community services

16 FTE positions 109.6

17 Operating lump sum appropriation \$ 7,069,900

18 Fund sources:

19 State general fund \$ 6,822,400

20 Federal temporary assistance

21 for needy families block

22 grant 247,500

23 Adult services \$ 19,277,700

24 Fund sources:

25 State general fund \$ 19,277,700

26 Community and emergency

27 services \$ 5,424,900

28 Fund sources:

29 Federal temporary assistance

30 for needy families block

31 grant \$ 5,424,900

32 Coordinated hunger \$ 2,014,600

33 Fund sources:

34 State general fund \$ 1,514,600

35 Federal temporary assistance

36 for needy families block

37 grant 500,000

38 Coordinated homeless \$ 2,804,900

39 Fund sources:

40 State general fund \$ 1,155,400

41 Federal temporary assistance

42 for needy families block

43 grant 1,649,500

44 Domestic violence prevention \$ 16,647,400

1 Fund sources:
2 State general fund \$ 8,326,700
3 Federal temporary assistance
4 for needy families block
5 grant 6,620,700
6 Domestic violence shelter fund 1,700,000
7 Community-based marriage and
8 communication skills program
9 fund deposit \$ 1,200,000
10 Fund sources:
11 State general fund \$ 1,200,000
12 Lifespan respite care \$ 500,000
13 Fund sources:
14 State general fund \$ 500,000

15 Performance measures:
16 Adult protective services investigation
17 per cent rate 100

18 The department shall report on activities of food distribution efforts
19 funded through the monies in the coordinated hunger line item to the joint
20 legislative budget committee by March 15, 2009. The report shall demonstrate
21 how the food was distributed and shall include letters from each
22 participating food bank stating its satisfaction with the distribution and
23 the department shall verify that food products have been distributed through
24 regional food banks to all rural areas of the state.

25 All domestic violence shelter fund monies above \$1,700,000 received by
26 the department of economic security are appropriated for the domestic
27 violence prevention line item. The department of economic security shall
28 report the intended use of the monies above \$1,700,000 to the joint
29 legislative budget committee.

30 The department of economic security shall report to the joint
31 legislative budget committee on the amount of state and federal monies
32 available statewide for domestic violence funding by December 15, 2008. The
33 report shall include, at a minimum, the amount of monies available and the
34 state fiscal agent receiving those monies.

35 The department shall apply for the maximum allowable federal temporary
36 assistance for needy families block grant funding in fiscal year 2008-2009
37 available to the state through a grant program to promote healthy marriages
38 and responsible fatherhood. These monies shall be deposited in the
39 community-based marriage and communication skills program fund established by
40 section 41-2032, Arizona Revised Statutes, for at least the following
41 purposes:

- 42 1. Marketing and advertising of marriage skills classes.
- 43 2. The community-based relationship skills high school pilot program.

1	<u>Children, youth and families</u>	
2	FTE positions	1,535.5
3	Operating lump sum appropriation	\$ 91,800,800
4	Fund sources:	
5	State general fund	\$ 61,447,000
6	Children and family services	
7	training program fund	209,600
8	Federal temporary assistance	
9	for needy families block	
10	grant	30,144,200
11	Adoption services	\$ 46,928,300
12	Fund sources:	
13	State general fund	\$ 36,242,200
14	Federal temporary assistance	
15	for needy families block	
16	grant	10,686,100
17	Adoption services - academic	
18	tutoring	\$ 300,000
19	Fund sources:	
20	State general fund	\$ 300,000
21	Adoption services - family	
22	preservation projects	\$ 1,000,000
23	Fund sources:	
24	Federal temporary assistance	
25	for needy families block	
26	grant	\$ 1,000,000
27	Attorney general legal	
28	services	\$ 12,273,900
29	Fund sources:	
30	State general fund	\$ 12,221,700
31	Federal temporary assistance	
32	for needy families block	
33	grant	52,200
34	Child abuse prevention	\$ 826,900
35	Fund sources:	
36	Child abuse prevention fund	\$ 826,900
37	Children support services	\$ 62,282,400
38	Fund sources:	
39	State general fund	\$ 45,403,300
40	Child abuse prevention fund	750,000
41	Federal temporary assistance	
42	for needy families block	
43	grant	16,129,100
44	Comprehensive medical and dental	
45	program	\$ 2,057,000

1	Fund sources:	
2	State general fund	\$ 2,057,000
3	Child protective services appeals	\$ 732,900
4	Fund sources:	
5	State general fund	\$ 732,900
6	CPS emergency placement	\$ 5,186,500
7	Fund sources:	
8	State general fund	\$ 2,180,100
9	Federal temporary assistance	
10	for needy families block	
11	grant	3,006,400
12	Education and training vouchers	\$ 700,000
13	Fund sources:	
14	State general fund	\$ 700,000
15	Family builders program	\$ 5,200,000
16	Fund sources:	
17	Federal temporary assistance for	
18	needy families block grant	\$ 5,200,000
19	Foster care placement	\$ 23,362,600
20	Fund sources:	
21	State general fund	\$ 17,139,500
22	Federal temporary assistance for	
23	needy families block grant	6,223,100
24	Healthy families	\$ 13,750,000
25	Fund sources:	
26	State general fund	\$ 8,715,800
27	Federal temporary assistance for	
28	needy families block grant	5,034,200
29	Homeless youth intervention	\$ 400,000
30	Fund sources:	
31	Federal temporary assistance for	
32	needy families block grant	\$ 400,000
33	Independent living maintenance	\$ 3,136,000
34	Fund sources:	
35	State general fund	\$ 3,136,000
36	Intensive family services	\$ 1,985,600
37	Fund sources:	
38	State general fund	\$ 1,985,600
39	Joint substance abuse - AZ families	
40	F.I.R.S.T.	\$ 7,224,500
41	Fund sources:	
42	State general fund	\$ 5,224,500
43	Federal TANF block grant	2,000,000
44	Permanent guardianship subsidy	\$ 8,051,600

1	Fund sources:	
2	State general fund	\$ 7,192,300
3	Federal temporary assistance for	
4	needy families block grant	859,300
5	CPS residential placement	\$ 17,710,000
6	Fund sources:	
7	State general fund	\$ 6,543,400
8	Federal temporary assistance for	
9	needy families block grant	11,166,600
10	Performance measures:	
11	Per cent of newly hired CPS specialists	
12	completing training within 7 months	
13	of hire	100
14	Per cent of children in out-of-home care	
15	who have not returned to their families	
16	or been permanently placed elsewhere	
17	for more than 24 consecutive months	19
18	Per cent of CPS reports responded to by CPS	
19	staff	100
20	Per cent of CPS original dependencies	
21	cases where court denied or dismissed	<1
22	Per cent of office of administrative hearings	
23	where CPS case findings are affirmed	90
24	Per cent of CPS complaints reviewed by	
25	the office of the ombudsman-citizens	
26	aide where allegations are reported	
27	as valid by the ombudsman	13
28	Average number of days spent in shelter	
29	placements	15
30	Number of children in shelter care more	
31	than 21 days	0
32	Number of children under 3 in shelter care	0
33	Number of children under 6 in group homes	0

34 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 35 any transfer to or from the amounts appropriated for children support
 36 services, CPS emergency placement, CPS residential placement or foster care
 37 placement requires review by the joint legislative budget committee.

38 Of the amounts appropriated for children support services, CPS
 39 emergency placement, CPS residential placement and foster care placement,
 40 \$22,613,100 is appropriated from the federal temporary assistance for needy
 41 families block grant to the social services block grant for deposit in the
 42 following line items in the following amounts:

1	Children support services	5,371,700
2	CPS emergency placement	2,333,700
3	CPS residential placement	9,833,300
4	Foster care placement	5,074,400

5 The department of economic security shall provide training to any new
 6 child protective services FTE positions before assigning to any of these
 7 employees any client caseload duties.

8 It is the intent of the legislature that the department of economic
 9 security use the funding in the division of children, youth and families to
 10 achieve a one hundred per cent investigation rate.

11 Employment and rehabilitation services

12	FTE positions	559.9
13	Operating lump sum appropriation	\$ 32,426,800

14 Fund sources:

15	State general fund	\$ 9,847,000
16	Federal child care and development	
17	fund block grant	10,508,800
18	Federal temporary assistance for	
19	needy families block grant	5,897,400
20	Workforce investment act grant	2,282,600
21	Special administration fund	85,000
22	Spinal and head injuries trust	
23	fund	569,500
24	Federal Reed act grant	3,236,500

25	JOBS	\$ 23,571,700
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26 Fund sources:

27	State general fund	\$ 1,825,200
28	Federal temporary assistance for	
29	needy families block grant	18,246,500
30	Workforce investment act grant	2,000,000
31	Special administration fund	1,500,000

32	Day care subsidy	\$162,289,000
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33 Fund sources:

34	State general fund	\$ 84,482,900
35	Federal child care and	
36	development fund block grant	69,785,800
37	Federal temporary assistance for	
38	needy families block grant	8,020,300

39	Transitional child care	\$ 36,193,000
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40 Fund sources:

41	Federal child care and	
42	development fund block	
43	grant	\$ 36,193,000

44	Vocational rehabilitation	
45	services	\$ 5,419,100

1	Fund sources:	
2	State general fund	\$ 5,214,400
3	Spinal and head injuries	
4	trust fund	204,700
5	Independent living rehabilitation	
6	services	\$ 2,991,900
7	Fund sources:	
8	State general fund	\$ 1,284,200
9	Spinal and head injuries trust	
10	fund	1,707,700
11	Summer youth employment and training	\$ 1,250,000
12	Fund sources:	
13	State general fund	\$ 1,250,000
14	Workforce investment act - local	
15	governments	\$ 48,040,600
16	Fund sources:	
17	Workforce investment act grant	\$ 48,040,600
18	Workforce investment act -	
19	discretionary	<u>\$ 3,614,000</u>
20	Fund sources:	
21	Workforce investment act grant	\$ 3,614,000
22	Performance measures:	
23	Number of TANF recipients who obtained	
24	employment	17,000
25	Per cent of customer satisfaction with	
26	child care	95.0
27	Vocational rehabilitation individuals	
28	successfully rehabilitated	4,000

29 Of the \$162,289,000 appropriated for day care subsidy, \$115,019,900 is
 30 for a program in which the upper income limit is no more than one hundred
 31 sixty-five per cent of the federal poverty level. This provision shall not
 32 be construed to impose a duty on an officer, agent or employee of the state
 33 to discharge a responsibility or to create any right in a person or group if
 34 the discharge or right would require an expenditure of state monies in excess
 35 of the \$115,019,900 appropriation.

36 The amounts appropriated for day care subsidy and transitional child
 37 care shall be used exclusively for child care costs unless a transfer of
 38 monies is reviewed by the joint legislative budget committee. Monies shall
 39 not be used from these appropriated amounts for any other expenses of the
 40 department of economic security unless a transfer of monies is reviewed by
 41 the joint legislative budget committee.

42 Monies in the child care subsidy and transitional child care line items
 43 shall be used to provide services only to residents of the state of Arizona
 44 who are citizens or legal residents of the United States or who are otherwise
 45 lawfully present in the United States.

All spinal and head injuries trust fund receipts received by the department of economic security in excess of \$2,481,900 are appropriated to the independent living rehabilitation services line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of \$2,481,900, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

All federal workforce investment act funds for local governments that are received by the state in excess of \$48,040,600 are appropriated to the workforce investment act - local governments line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Agencywide lump sum reduction	\$ (64,707,800)
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Fund sources:

State general fund	\$ (64,707,800)
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Performance measures:

Agencywide customer satisfaction rating

(Scale 1-5)	3.8
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The department of economic security agencywide lump sum reduction may not be taken against the appropriation made for child protective services.

The above appropriations are in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any projected surplus in state supported programs that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, (3) shortfalls resulting from new leases or renegotiations of current leases and associated costs, and (4) total expenditure authority of the child support enforcement program for the month and year-to-date as compared to prior year totals.

Sec. 7. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION
2008-09

Administration

FTE positions	72.5
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Lump sum appropriation	\$ 6,705,300
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Fund sources:

State general fund	\$ 6,705,300
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The lump sum appropriation includes \$291,100 and 4 FTE positions for average daily membership auditing and \$200,000 and 2 FTE positions for information technology security services.

Formula programs

FTE positions	29.0
Operating lump sum appropriation	\$ 2,198,700
Basic state aid	\$3,609,288,700

Fund sources:

State general fund	\$3,564,068,000
Permanent state school fund	45,220,700

The above appropriation provides basic state support to school districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in expendable income derived from the permanent state school fund and from state trust lands pursuant to section 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2008-2009.

Receipts derived from the permanent state school fund and any other nonstate general fund revenue source that is dedicated to fund basic state aid will be expended, whenever possible, before expenditure of state general fund monies.

Except as required by section 37-521, Arizona Revised Statutes, all monies received during the fiscal year from national forests, interest collected on deferred payments on the purchase of state lands, the income from the investment of permanent funds as prescribed by the enabling act and the Constitution of Arizona and all monies received by the superintendent of public instruction from whatever source, except monies received pursuant to sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the state treasury are appropriated for apportionment to the various counties in accordance with law. An expenditure shall not be made except as specifically authorized above.

Additional state aid	\$ 404,095,500
Special education fund	35,237,700
Other state aid to districts	<u>983,900</u>
Total - formula programs	\$4,051,804,500

Fund sources:

State general fund	\$4,006,583,800
Permanent state school fund	45,220,700

Non-formula programs

FTE positions	149.4
Operating lump sum appropriation	\$ 1,766,100
Achievement testing	10,246,200

Before making any changes to the achievement testing program that will increase program costs, the state board of education shall report the estimated fiscal impact of those changes to the joint legislative budget committee.

AIMS intervention; dropout prevention	5,550,000
School accountability	4,699,100
Adult education and GED	4,477,900
Chemical abuse	826,300
English learner administration	5,025,500

The appropriated amount is to be used by the department of education to provide English language acquisition services for the purposes of section 15-756.07, Arizona Revised Statutes, and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the department of education to school districts and charter schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The department of education may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of section 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192, Arizona Revised Statutes, the superintendent of public instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

Compensatory instruction fund deposit	10,000,000
Extended school year	500,000
Family literacy	1,011,300
Gifted support	3,385,300
School safety program	6,728,300
Small pass-through programs	681,600

The appropriated amount includes \$50,000 for the academic contest fund, \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance, \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's academy, \$234,000 for Arizona school service through education technology, \$50,000 for project citizen and \$50,000 for the economic academic council and \$100,000 for civics training.

State block grant for early childhood education	19,457,100
State block grant for vocational education	11,467,200
Vocational education extended year	600,000
Disabled pupil scholarships	2,500,000
Displaced pupils choice grant program	2,500,000
Teacher certification	1,994,000

Monies collected by the department of education for teacher certification fees, as authorized by section 15-531, paragraphs 1 and 2, Arizona Revised Statutes, shall be deposited in a teacher certification fund for use in funding costs of the teacher certification program.

Parental choice for reading success 1,000,000

Optional performance incentive programs 120,000

Teacher training 700,000

The appropriated amount for the teacher training line item is for the department of education to distribute to the state board of education, which will distribute the monies to the Arizona K-12 center for program implementation and mentor training for the Arizona master teacher program as prescribed by the state board of education.

Alternative teacher development program \$ 1,000,000

Total - nonformula programs \$ 96,235,900

Fund sources:

State general fund \$ 87,024,200

Proposition 301 fund 7,000,000

Teacher certification fund 2,211,700

Performance measures:

Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 2)

-- reading 50

-- math 55

Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 9)

-- reading 56

-- math 56

Per cent of schools with at least 75% of students meeting or exceeding standards in:

-- reading 42

-- writing 56

-- math 42

Per cent of Arizona high school students who enter grade 9 and graduate within 4 years

76

Per cent of students in grade 3 meeting or exceeding state academic standards in:

-- reading 80

-- writing 84

-- math 80

1	Per cent of students in grade 5 meeting	
2	or exceeding state academic standards in:	
3	-- reading	77
4	-- writing	75
5	-- math	77
6	Per cent of students in grade 8 meeting	
7	or exceeding state academic standards in:	
8	-- reading	73
9	-- writing	86
10	-- math	70
11	Per cent of students in grade 12 meeting	
12	or exceeding state academic standards in:	
13	-- reading	41
14	-- writing	40
15	-- math	27
16	Per cent of students tested:	
17	-- norm-referenced test (grades 2 and 9)	96
18	-- AIMS	98
19	Per cent of Arizona schools receiving an	
20	underperforming label	4
21	Maximum number of days to process	
22	complete certification applications	8
23	Per cent of customers satisfied with	
24	certification services	92
25	<u>State board of education</u>	
26	FTE positions	8.0
27	Operating lump sum appropriation	\$ 1,076,100
28	Fund sources:	
29	State general fund	\$ 692,500
30	Teacher certification fund	383,600
31	Performance measures:	
32	Per cent of parents who rate "A+" the public	
33	school that their oldest school-age child	
34	attends	9.0
35	The appropriated amount includes \$100,000 for administering a survey to	
36	a random sample of parents of children in public schools statewide. The	
37	survey shall consist of the following question: "Students are given the	
38	grades A+, A, B, C, D and Fail to denote the quality of their work. Using	
39	the same A+, A, B, C, D and Fail scale, what grade would you give the school	
40	that your oldest child attends?"	
41	The state board of education program may establish its own strategic	
42	plan separate from that of the department of education and based on its own	
43	separate mission, goals and performance measures.	

1	Agencywide lump sum reduction	\$ (6,000,000)
2	Fund sources:	
3	State general fund	\$ (6,000,000)
4	Total appropriation - state board of	
5	education and superintendent	
6	of public instruction	\$4,149,821,800
7	Fund sources:	
8	State general fund	\$4,095,005,800
9	Proposition 301 fund	7,000,000
10	Permanent state school fund	45,220,700
11	Teacher certification fund	2,595,300

12 The department shall provide an updated report on its budget status
 13 every two months for the first half of each fiscal year and every month
 14 thereafter to the president of the senate, the speaker of the house of
 15 representatives, the chairpersons of the senate and house of representatives
 16 appropriations committees, the director of the joint legislative budget
 17 committee and the director of the governor's office of strategic planning and
 18 budgeting. Each report shall include, at a minimum, the department's current
 19 funding surplus or shortfall projections for basic state aid and other major
 20 formula-based programs and shall be due thirty days after the end of the
 21 applicable reporting period.

22 Within fifteen days of each apportionment of state aid that occurs
 23 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
 24 department shall provide the joint legislative budget committee staff and the
 25 governor's office of strategic planning and budgeting with an electronic
 26 spreadsheet or database copy of data included in the apor55-1 report for that
 27 apportionment for each school district and the char55-1 report for that
 28 apportionment for each charter school.

29 Sec. 8. DEPARTMENT OF FINANCIAL INSTITUTIONS

30		<u>2008-09</u>
31	FTE positions	57.1
32	Lump sum appropriation	\$ 3,547,600
33	Fund sources:	
34	State general fund	\$ 3,547,600
35	Performance measures:	
36	Per cent of examinations reports mailed	
37	within 25 days of examiner's completion	
38	of exam procedures	78.0
39	Per cent of license applications approved	
40	within 45 days of receipt	65.0
41	Per cent of examinations receiving	
42	satisfactory rating	91.0

1	Average days from receipt to resolution	
2	of regular complaints	100.0
3	Per cent of complainants indicating they	
4	received "good" or "better" service when	
5	filing a complaint	75.0
6	The department of financial institutions shall assess and set fees to	
7	ensure that monies deposited in the state general fund will equal or exceed	
8	its expenditure from the state general fund.	
9	Sec. 9. DEPARTMENT OF HEALTH SERVICES	
10		<u>2008-09</u>
11	<u>Administration</u>	
12	FTE positions	432.8
13	Operating lump sum appropriation	\$ 17,658,300
14	Fund sources:	
15	State general fund	\$ 14,876,300
16	Capital outlay stabilization	
17	fund	1,578,100
18	Emergency medical services	
19	operating fund	203,900
20	Indirect cost fund	1,000,000
21	Assurance and licensure	\$ 12,153,100
22	Fund sources:	
23	State general fund	\$ 9,992,500
24	Federal child care and development	
25	fund block grant	829,200
26	Hearing and speech professionals	
27	fund	343,200
28	Nursing care institution resident	
29	protection revolving fund	38,000
30	Expenditure authority	950,200
31	Attorney general legal services	\$ 444,900
32	Fund sources:	
33	State general fund	\$ 394,900
34	Emergency medical services	
35	operating fund	50,000
36	Newborn screening program fund -	
37	indirect costs	\$ 478,600
38	Fund sources:	
39	Newborn screening program fund	\$ 478,600
40	Indirect cost fund	\$ 8,053,000
41	Fund sources:	
42	Indirect cost fund	\$ 8,053,000

1	Performance measures:	
2	Per cent of relicensure surveys completed	
3	on time:	
4	Child care facilities	97
5	Health care facilities	85
6	Per cent of complaint investigations initiated	
7	later than investigative guidelines:	
8	Child care facilities	0
9	Health care facilities	30
10	<u>Public health</u>	
11	FTE positions	248.1
12	Operating lump sum appropriation	\$ 6,660,500
13	Fund sources:	
14	State general fund	\$ 5,823,200
15	Emergency medical services	
16	operating fund	837,300
17	AIDS reporting and surveillance	\$ 1,125,000
18	Fund sources:	
19	State general fund	\$ 1,125,000
20	Alzheimer's disease research	\$ 4,000,000
21	Fund sources:	
22	State general fund	\$ 3,000,000
23	Tobacco tax and health care	
24	fund - health research account	1,000,000
25	Arizona statewide immunization	
26	information system	\$ 517,500
27	Fund sources:	
28	State general fund	\$ 517,500
29	Community health centers	\$ 14,981,300
30	Fund sources:	
31	State general fund	\$ 10,481,300
32	Tobacco tax and health care	
33	fund - medically needy	
34	account	4,500,000
35	County public health	\$ 200,000
36	Fund sources:	
37	State general fund	\$ 200,000
38	County tuberculosis provider	
39	care and control	\$ 1,410,500
40	Fund sources:	
41	State general fund	\$ 1,410,500
42	Diabetes prevention and control	\$ 400,000
43	Fund sources:	
44	State general fund	\$ 400,000
45	Direct grants	\$ 460,300

1	Fund sources:	
2	State general fund	\$ 460,300
3	EMS operations	\$ 3,263,900
4	Fund sources:	
5	Emergency medical services	
6	operating fund	\$ 3,263,900
7	Hepatitis C surveillance	\$ 409,300
8	Fund sources:	
9	State general fund	\$ 409,300
10	Kidney program	\$ 50,500
11	Fund sources:	
12	State general fund	\$ 50,500
13	Laboratory services	\$ 5,334,300
14	Fund sources:	
15	State general fund	\$ 4,357,900
16	Environmental laboratory licensure	
17	revolving fund	976,400
18	Loan repayment	\$ 250,000
19	Fund sources:	
20	State general fund	\$ 100,000
21	Emergency medical services	
22	operating fund	150,000
23	Poison control center funding	\$ 925,000
24	Fund sources:	
25	State general fund	\$ 925,000
26	Reimbursement to counties	\$ 67,900
27	Fund sources:	
28	State general fund	\$ 67,900
29	Renal and nonrenal disease management	\$ 468,000
30	Fund sources:	
31	State general fund	\$ 468,000
32	Scorpion antivenom	\$ 150,000
33	Fund sources:	
34	State general fund	\$ 150,000
35	STD control subventions	\$ 26,300
36	Fund sources:	
37	State general fund	\$ 26,300
38	Telemedicine	\$ 260,000
39	Fund sources:	
40	State general fund	\$ 260,000
41	Teratogen program	\$ 60,000
42	Fund sources:	
43	State general fund	\$ 60,000
44	Trauma advisory board	\$ 405,400

1 Fund sources:
2 Emergency medical services
3 operating fund \$ 405,400
4 University of Arizona poison
5 control center funding \$ 1,275,000
6 Fund sources:
7 State general fund \$ 1,275,000
8 Valley fever \$ 284,700
9 Fund sources:
10 State general fund \$ 284,700
11 Vaccines \$ 10,410,400
12 Fund sources:
13 State general fund \$ 10,410,400
14 Vital records maintenance \$ 502,200
15 Fund sources:
16 Vital records electronic
17 systems fund \$ 502,200
18 Performance measures:
19 Immunization rate among two-year-old
20 children 84
21 Per cent of high school youth who smoked
22 in the last month 18
23 Customer waiting time in vital records
24 lobby (in minutes) 13
25 Of the \$14,981,300 appropriated for community health centers, at least
26 \$564,000 shall be distributed to Yavapai county for county primary care
27 programs.
28 The department of health services may use up to four per cent of the
29 amounts appropriated for renal and nonrenal disease management, community
30 health centers and telemedicine for the administrative costs to implement
31 each program.
32 Monies appropriated for AIDS reporting and surveillance and renal and
33 nonrenal disease management shall be used to provide services only to
34 residents of the state of Arizona who are citizens or legal residents of the
35 United States or who are otherwise lawfully present in the United States.
36 The department of health services shall report to the joint legislative
37 budget committee by February 1, 2009 on the amount of federal monies received
38 for fiscal year 2008-2009 for the 317 vaccine program.
39 The appropriation for direct grants is to provide for local health work
40 and a portion of the cost of employing one public health nurse and one
41 sanitarian in counties with populations of less than 500,000 persons. The
42 monies are to be divided equally among eligible counties on a nonmatching
43 basis. All monies that are received by a county under this appropriation and
44 that are not used for the prescribed purposes revert to the state general
45 fund.

The \$67,900 appropriated for reimbursement to counties is to provide matching monies to counties with populations of less than five hundred thousand persons for local health work on an equal matching basis and shall be distributed based on the proportion of funding each county received in fiscal year 2002-2003.

The \$200,000 appropriated for county public health shall be distributed as follows to the following counties to reimburse local health departments pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

The department of health services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal vaccines for children program and eligibility for the state children's health insurance program. This requirement applies to vaccines purchased with state monies appropriated for the vaccines line item for both the federal 317 program and the state-only immunization program.

In allocating its lump sum reduction, the department of health services shall limit its allocation to the Alzheimer's disease research line item to no more than 26.7% of the state general fund appropriation for the Alzheimer's disease research line item.

The department of health services shall distribute a pamphlet on umbilical cord blood pursuant to section 36-112, Arizona Revised Statutes. The department shall distribute the pamphlet free of charge to physicians and health care institutions on request and shall make the pamphlet available on its website.

Family health

FTE positions	96.8
Operating lump sum appropriation	\$ 6,002,700
Fund sources:	
State general fund	\$ 3,821,700
Expenditure authority	2,181,000
Abstinence funding	\$ 1,500,000
Fund sources:	
State general fund	\$ 1,500,000
Adult cystic fibrosis	\$ 105,200
Fund sources:	
State general fund	\$ 105,200
Adult sickle cell anemia	\$ 33,000
Fund sources:	
State general fund	\$ 33,000
AHCCCS - children's rehabilitative services	\$ 81,151,300

1	Fund sources:	
2	State general fund	\$ 27,688,800
3	Expenditure authority	53,462,500
4	Breast and cervical cancer	
5	screening	\$ 1,348,600
6	Fund sources:	
7	State general fund	\$ 1,348,600
8	Child fatality review team	\$ 100,000
9	Fund sources:	
10	Child fatality review fund	\$ 100,000
11	Children's rehabilitative	
12	services	\$ 3,587,000
13	Fund sources:	
14	State general fund	\$ 3,587,000
15	County nutrition services	\$ 330,300
16	Fund sources:	
17	State general fund	\$ 330,300
18	County prenatal services grant	\$ 1,148,500
19	Fund sources:	
20	State general fund	\$ 1,148,500
21	Folic acid	\$ 400,000
22	Fund sources:	
23	Tobacco tax and health care fund -	
24	medically needy account	\$ 400,000
25	Health start	\$ 226,600
26	Fund sources:	
27	State general fund	\$ 226,600
28	High risk perinatal services	\$ 5,430,600
29	Fund sources:	
30	State general fund	\$ 4,980,600
31	Emergency medical services	
32	operating fund	450,000
33	Medicaid special exemption	
34	payments	\$ 1,803,400
35	Fund sources:	
36	State general fund	\$ 615,300
37	Expenditure authority	1,188,100
38	Modular dental buildings	\$ 200,000
39	Fund sources:	
40	State general fund	\$ 200,000
41	Newborn screening program	\$ 5,690,000
42	Fund sources:	
43	Newborn screening program fund	\$ 5,690,000
44	Senior food program	\$ 600,000

1 Fund sources:
2 State general fund \$ 600,000
3 Women's services \$ 501,500
4 Fund sources:
5 State general fund \$ 501,500
6 Performance measures:
7 Number of newborns screened under newborn
8 screening program 107,214
9 The amounts appropriated for children's rehabilitative services and for
10 AHCCCS - children's rehabilitative services are intended to cover all costs
11 in full for contracts for the provision of services to clients, unless a
12 transfer of monies is reviewed by the joint legislative budget committee.
13 The department of health services may transfer up to \$350,000 in
14 revenues from the indirect cost fund to the Arizona health care cost
15 containment system administration for the purpose of meeting indirect cost
16 state match requirements related to AHCCCS - children's rehabilitative
17 services program.
18 Of the \$5,430,600 appropriated for high risk perinatal services
19 \$583,000 shall be distributed to counties.
20 Monies in the women's services line item shall be used to provide
21 \$20,000 in individual grants to nonprofit agencies whose primary function is
22 to assist pregnant women in seeking alternatives to abortion. Grant monies
23 shall be used to provide medically accurate services and programs related to
24 pregnancy and up to twelve months after birth. Grant monies shall not be
25 used for abortion or abortion referral services or granted to entities that
26 promote, refer or perform abortions. The department may use up to ten per
27 cent of monies appropriated to this line item for any associated
28 administrative costs.
29 Behavioral health
30 FTE positions 166.0
31 Operating lump sum appropriation \$ 9,592,700
32 Fund sources:
33 State general fund \$ 4,528,800
34 Expenditure authority 5,063,900
35 Arnold v. Sarn \$ 37,153,100
36 Fund sources:
37 State general fund \$ 27,500,000
38 Expenditure authority 9,653,100
39 Children's behavioral health
40 services \$ 9,351,800
41 Fund sources:
42 State general fund \$ 9,351,800
43 Children's behavioral health state
44 match for title XIX \$358,971,200

1	Fund sources:	
2	State general fund	\$122,432,700
3	Expenditure authority	236,538,500
4	Court monitoring	\$ 197,500
5	Fund sources:	
6	State general fund	\$ 197,500
7	Dual eligible part D copay subsidy	\$ 802,600
8	Fund sources:	
9	State general fund	\$ 802,600
10	Medicaid special exemption	
11	payments	\$ 20,423,900
12	Fund sources:	
13	State general fund	\$ 6,969,100
14	Expenditure authority	13,454,800
15	Medicare clawback payments	\$ 10,718,100
16	Fund sources:	
17	State general fund	\$ 10,718,100
18	Mental health and substance abuse	
19	state match for title XIX	\$105,892,800
20	Fund sources:	
21	State general fund	\$ 36,133,300
22	Expenditure authority	69,759,500
23	Mental health nontitle XIX	\$ 2,447,300
24	Fund sources:	
25	State general fund	\$ 2,447,300
26	Proposition 204 - administration	\$ 6,534,800
27	Fund sources:	
28	State general fund	\$ 2,130,200
29	Expenditure authority	4,404,600
30	Proposition 204 - children's	
31	behavioral health services	\$ 4,532,100
32	Fund sources:	
33	State general fund	\$ 1,546,500
34	Expenditure authority	2,985,600
35	Proposition 204 - general mental	
36	health and substance abuse	\$108,329,900
37	Fund sources:	
38	State general fund	\$ 36,964,900
39	Expenditure authority	71,365,000
40	Proposition 204 - seriously	
41	mentally ill services	\$208,954,800

1	Fund sources:	
2	State general fund	\$ 71,300,600
3	Expenditure authority	137,654,200
4	Seriously emotionally handicapped	
5	children	\$ 500,000
6	Fund sources:	
7	State general fund	\$ 500,000
8	Seriously mentally ill nontitle	
9	XIX	\$ 61,116,700
10	Fund sources:	
11	State general fund	\$ 30,691,900
12	Tobacco tax and health care	
13	fund-medically needy account	30,424,800
14	Seriously mentally ill state match	
15	for title XIX	\$201,129,500
16	Fund sources:	
17	State general fund	\$ 68,585,400
18	Expenditure authority	132,544,100
19	Substance abuse nontitle XIX	\$ 14,635,400
20	Fund sources:	
21	State general fund	\$ 12,135,400
22	Substance abuse services fund	2,500,000
23	Youth methamphetamine prevention	
24	program	\$ 500,000
25	Fund sources:	
26	State general fund	\$ 500,000
27	Crisis intervention training grants	\$ 250,000
28	Fund sources:	
29	State general fund	\$ 250,000
30	Contract compliance	\$ 7,296,500
31	Fund sources:	
32	State general fund	\$ 2,461,100
33	Expenditure authority	4,835,400
34	Performance measures:	
35	Per cent of RBHA title XIX clients	
36	satisfied with services	90
37	Per cent of title XIX population that is	
38	enrolled in a behavioral health service	12
39	The amount appropriated for children's behavioral health services shall	
40	be used to provide services for nontitle XIX eligible children. The amount	
41	shall not be used to pay for either federally or nonfederally reimbursed	
42	services for title XIX eligible children, unless a transfer of monies is	
43	reviewed by the joint legislative budget committee.	

It is the intent of the legislature that the total amount available in the Arnold v. Sarn line item be used for the population covered by the Arnold v. Sarn lawsuit in counties with a population of two million or more persons and for seriously mentally ill persons that meet the same criteria as those covered by the Arnold v. Sarn lawsuit in counties with populations of less than two million persons.

It is the intent of the legislature that the per cent attributable to administration/profit for the regional behavioral health authority in Maricopa county is nine per cent of the overall capitation rate.

The department of health services shall report to the joint legislative budget committee thirty days after the end of each calendar quarter on the progress the department is making toward settling the Arnold v. Sarn lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

Monies appropriated for youth methamphetamine prevention programs shall be distributed to a statewide alliance of community-based organizations with a proven track record in providing substance abuse prevention programming to children. Programs must serve children in rural, urban and Indian communities and military bases in Arizona. The department of health services shall submit a summary of the reports received from the organizations to the governor, the president of the senate and the speaker of the house of representatives and the joint legislative budget committee for fiscal year 2008-2009 by August 31, 2009.

The \$250,000 appropriation for crisis intervention training grants shall be used for training and community coordination costs, with input from stakeholders from the community, to train law enforcement agencies and first responders in best practices in the treatment of individuals with mental illness. Grant monies shall be used by recipients to supplement, and not supplant, existing funding for this purpose. Monies in the crisis intervention training grants line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through fiscal year 2009-2010.

Arizona state hospital

FTE positions	877.7
Operating lump sum appropriation	\$ 56,984,000
Fund sources:	
State general fund	\$ 50,758,500
Arizona state hospital fund	4,901,900
Arizona state hospital land earnings fund	1,323,600
Community placement treatment	\$ 6,704,800

1 Fund sources:
2 State general fund \$ 5,574,100
3 Arizona state hospital fund 1,130,700
4 Sexually violent persons \$ 11,628,100
5 Fund sources:
6 State general fund \$ 11,628,100
7 Electronic medical records \$ 300,000
8 Fund sources:
9 State general fund \$ 300,000
10 Performance measures:
11 Per cent of adult clients successfully
12 placed in community who return for
13 another stay within one year of discharge 6.0
14 Agencywide lump sum reduction \$ (35,061,600)
15 Fund sources:
16 State general fund \$ (35,061,600)
17 The department shall report to the joint legislative budget committee
18 by March 1 of each year on preliminary actuarial estimates of the capitation
19 rate changes for the following fiscal year along with the reasons for the
20 estimated changes. For any actuarial estimates that include a range, the
21 total range from minimum to maximum shall be no more than two per cent.
22 Before implementation of any changes in capitation rates for the
23 AHCCCS - children's rehabilitative services line item and any title XIX
24 behavioral health line items, the department of health services shall report
25 its expenditure plan for review by the joint legislative budget committee.
26 Before the department implements any changes in policy affecting the amount,
27 sufficiency, duration and scope of health care services and who may provide
28 services, the department shall prepare a fiscal impact analysis on the
29 potential effects of this change on the following year's capitation rates.
30 If the fiscal analysis demonstrates that these changes will result in
31 additional state costs of \$500,000 or greater for a given fiscal year, the
32 department shall submit the policy changes for review by the joint
33 legislative budget committee.
34 In addition to the appropriation for the department of health services,
35 earnings on state lands and interest on the investment of the permanent land
36 funds are appropriated to the state hospital in compliance with the enabling
37 act and the Constitution of Arizona.
38 A monthly report comparing total expenditures for the month and
39 year-to-date as compared to prior year totals shall be forwarded to the
40 president of the senate, the speaker of the house of representatives, the
41 chairpersons of the senate and house of representatives appropriations
42 committees and the director of the joint legislative budget committee by the
43 thirtieth of the following month. The report shall include an estimate of
44 (1) potential shortfalls in programs, (2) potential federal and other funds,
45 such as the statewide assessment for indirect costs, that may be available to

offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation, and (3) total expenditure authority of the month and year-to-date for seriously mentally ill state match for title XIX, seriously mentally ill nontitle XIX, children's behavioral health services, children's behavioral health state match for title XIX, mental health nontitle XIX, substance abuse nontitle XIX, seriously emotionally handicapped children and children's rehabilitative services.

Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for seriously mentally ill state match for title XIX, seriously mentally ill nontitle XIX, Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral health services, children's behavioral health state match for title XIX, mental health nontitle XIX, substance abuse nontitle XIX, mental health and substance abuse state match for title XIX, seriously emotionally handicapped children, children's rehabilitative services, AHCCCS - children's rehabilitative services, adult cystic fibrosis, adult sickle cell anemia, high risk perinatal services, county prenatal services grant, community placement treatment, dual eligible copay subsidy, sexually violent persons, county tuberculosis provider care and control, kidney program, county nutrition services, community health centers, vaccines, renal and nonrenal disease management, AIDS reporting and surveillance, telemedicine, university of Arizona poison center funding, poison control center funding, and women's services shall require review by the joint legislative budget committee. The department may transfer monies between the amounts appropriated for proposition 204 children's behavioral health services, proposition 204 seriously mentally ill services and proposition 204 general mental health and substance abuse without review by the joint legislative budget committee but may not transfer monies to and from these line items to any other line item except as provided above without review by the joint legislative budget committee. The amounts appropriated for these items shall be used exclusively for contracts for the provision of services to clients unless a transfer of monies is reviewed by the joint legislative budget committee or unless otherwise permitted to be expended for administrative costs as specified in this act. Monies shall not be used from these appropriated amounts for any other expenses of the department of health services, unless a transfer of monies is reviewed by the joint legislative budget committee.

Sec. 10. ARIZONA JUDICIARY

2008-09

Supreme court

FTE positions	194.0
Operating lump sum appropriation	\$ 16,854,600
Automation	12,420,400
Case and cash management system	1,517,300
County reimbursements	208,800

1	Court appointed special advocate	3,558,000
2	Domestic relations	586,400
3	Foster care review board	2,429,800
4	Commission on judicial conduct	436,800
5	Judicial nominations and	
6	performance review	323,200
7	Model court	497,300
8	State aid	<u>6,054,300</u>
9	Total appropriation - supreme court	\$ 44,886,900
10	Fund sources:	
11	State general fund	\$ 17,426,600
12	Confidential intermediary and	
13	fiduciary fund	488,900
14	Court appointed special advocate	
15	fund	3,456,000
16	Criminal justice enhancement fund	3,068,200
17	Defensive driving school fund	5,419,300
18	Judicial collection enhancement	
19	fund	12,082,000
20	State aid to the courts fund	2,945,900

21 By September 1, 2008, the supreme court shall report to the joint
 22 legislative budget committee on current and future automation projects
 23 coordinated by the administrative office of the courts. The report shall
 24 include a list of court automation projects receiving or anticipated to
 25 receive state monies in the current or next two fiscal years as well as a
 26 description of each project, number of FTE positions, the entities involved
 27 and the goals and anticipated results for each automation project. The
 28 report shall be submitted in one summary document. The report shall indicate
 29 each project's total multi-year cost by fund source and budget line item,
 30 including any prior year, current year and any future year expenditures.

31 Included in the appropriation for the supreme court program is \$1,000
 32 for the purchase of mementos and items for visiting officials.

33 All case processing assistance fund receipts received by the
 34 administrative office of the courts in excess of \$3,068,200 in fiscal year
 35 2008-2009 are appropriated to the supreme court. Before the expenditure of
 36 any case processing assistance fund receipts in excess of \$3,068,200 in
 37 fiscal year 2008-2009, the administrative office of the courts shall submit
 38 the intended use of the monies for review by the joint legislative budget
 39 committee.

40 All defensive driving school fund receipts received by the
 41 administrative office of the courts in excess of \$5,419,300 in fiscal year
 42 2008-2009 are appropriated to the supreme court. Before the expenditure of
 43 any defensive driving school fund receipts in excess of \$5,419,300 in fiscal
 44 year 2008-2009, the administrative office of the courts shall submit the

intended use of the monies for review by the joint legislative budget committee.

Notwithstanding any other law, the amount appropriated for rural state aid to the courts shall be allocated to counties with populations of less than five hundred thousand persons.

All judicial collection enhancement fund receipts, excluding revenues resulting from the probation surcharge, received by the administrative office of the courts in excess of \$12,082,000 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of judicial collection enhancement fund receipts in excess of \$12,082,000 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

The administrative office of the courts shall not transfer monies between the supreme court operating budget and the automation line item without review by the joint legislative budget committee.

Court of appeals

FTE positions	147.5
Division I	\$ 9,657,700
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.3
Division II	\$ 4,296,100
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	<u>7.8</u>
Total appropriation - court of appeals	\$ 13,953,800
Fund sources:	
State general fund	\$ 13,953,800

Of the 147.5 FTE positions for fiscal year 2008-2009, 107.2 FTE positions are for Division I and 40.3 FTE positions are for Division II.

Superior court

FTE positions	230.5
Judges compensation	\$ 18,136,100
Adult standard probation	15,060,600
Adult intensive probation	11,338,000
Community punishment	2,871,700
Interstate compact	656,100
Sex offenders GPS monitoring	436,800
Drug court	1,013,600
Juvenile standard probation	4,726,000
Juvenile intensive probation	9,886,100
Juvenile treatment services	22,504,700
Juvenile family counseling	660,400

1	Juvenile crime reduction	5,221,800
2	Probation surcharge	3,425,700
3	Juvenile diversion consequences	10,160,300
4	Special water master	<u>20,000</u>
5	Total appropriation - superior court	\$106,117,900
6	Fund sources:	
7	State general fund	\$ 95,140,000
8	Criminal justice enhancement fund	7,052,200
9	Drug treatment and education fund	500,000
10	Judicial collection enhancement	
11	fund	3,425,700

12 Performance measures:

13 Customer satisfaction rating by states

14 participating in the interstate compact

15 (Scale 1-8) 7.0

16 Juvenile standard probation:

17 Per cent of probationers successfully

18 completing probation without a referral

19 (a notice of misbehavior) 85

20 Juvenile intensive probation (JIPS):

21 Per cent of probationers successfully

22 completing probation without a referral

23 (a notice of misbehavior) 70

24 Adult standard probation:

25 Per cent of probationers exiting probation

26 and not committed to county jail or prison 80

27 Adult intensive probation (AIPS):

28 Per cent of probationers exiting intensive

29 probation and not committed to county jail

30 or prison 50

31 Of the 230.5 FTE positions, 173 FTE positions represent superior court

32 judges. One-half of their salaries are provided by state general fund

33 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is

34 not meant to limit the counties' ability to add judges pursuant to section

35 12-121, Arizona Revised Statutes.

36 Up to 4.6 per cent of the amounts appropriated for juvenile probation

37 services - treatment services and juvenile diversion consequences may be

38 retained and expended by the supreme court to administer the programs

39 established by section 8-322, Arizona Revised Statutes, and to conduct

40 evaluations as needed. The remaining portion of the treatment services and

41 juvenile diversion consequences programs shall be deposited in the juvenile

42 probation services fund established by section 8-322, Arizona Revised

43 Statutes.

1 Receipt of state probation monies by the counties is contingent on the
2 county maintenance of fiscal year 2003-2004 expenditure levels for each
3 probation program. State probation monies are not intended to supplant
4 county dollars for probation programs.

5 All community punishment program receipts received by the
6 administrative office of the courts in excess of \$2,871,700 in fiscal year
7 2008-2009 are appropriated to the community punishment line item. Before the
8 expenditure of any community punishment receipts in excess of \$2,871,700 in
9 fiscal year 2008-2009, the administrative office of the courts shall submit
10 the intended use of the monies for review by the joint legislative budget
11 committee.

12 All juvenile crime reduction fund receipts received by the
13 administrative office of the courts in excess of \$5,221,800 in fiscal year
14 2008-2009 are appropriated to the juvenile crime reduction line item. Before
15 the expenditure of any juvenile crime reduction fund receipts in excess of
16 \$5,221,800 in fiscal year 2008-2009, the administrative office of the courts
17 shall submit the intended use of the monies for review by the joint
18 legislative budget committee.

19 All judicial collection enhancement fund receipts received by the
20 administrative office of the courts resulting from the probation surcharge in
21 excess of \$3,425,700 in fiscal year 2008-2009 are appropriated to the
22 superior court. Before the expenditure of judicial collection enhancement
23 fund receipts in excess of \$3,425,700 in fiscal year 2008-2009, the
24 administrative office of the courts shall submit the intended use of the
25 monies for review by the joint legislative budget committee.

26 By November 1, 2008, the administrative office of the courts shall
27 report to the joint legislative budget committee the fiscal year 2007-2008
28 actual, fiscal year 2008-2009 estimated and fiscal year 2009-2010 requested
29 amounts for the following:

30 1. On a county-by-county basis, the number of authorized and filled
31 case carrying probation positions and non-case carrying positions,
32 distinguishing between adult standard, adult intensive, juvenile standard and
33 juvenile intensive. The report shall indicate the level of state probation
34 funding, other state funding, county funding and probation surcharge funding
35 for those positions.

36 2. Total receipts and expenditures by county and fund source for the
37 adult standard, adult intensive, juvenile standard and juvenile intensive
38 line items, including the amount of personal services expended from each
39 revenue source of each account.

40 3. The amount of monies from the adult standard, adult intensive,
41 juvenile standard and juvenile intensive line items that the office does not
42 distribute as direct aid to counties. The report shall delineate how the
43 office expends these monies that are not distributed as direct aid to
44 counties.

45 Total appropriation - Arizona judiciary \$164,958,600

1 Fund sources:

2 State general fund \$126,520,400

3 Confidential intermediary and

4 fiduciary fund 488,900

5 Court appointed special advocate

6 fund 3,456,000

7 Criminal justice enhancement fund 10,120,400

8 Defensive driving school fund 5,419,300

9 Drug treatment and education fund 500,000

10 Judicial collection enhancement

11 fund 15,507,700

12 State aid to the courts fund 2,945,900

13 The administrative office of the courts shall submit the intended use

14 of any reimbursement monies received for review to the joint legislative

15 budget committee prior to their expenditure.

16 Sec. 11. DEPARTMENT OF JUVENILE CORRECTIONS

17 2008-09

18 FTE positions 1,163.7

19 Lump sum appropriation \$ 84,866,500

20 Fund sources:

21 State general fund \$ 78,895,600

22 State charitable, penal and

23 reformatory institutions

24 land fund 2,598,600

25 Criminal justice enhancement fund 689,800

26 State education fund for committed

27 youth 2,682,500

28 Performance measures:

29 Escapes from DJC secure care facilities 0

30 Per cent of juveniles passing the general

31 equivalency diploma language test 56

32 Per cent of juveniles who show progress in

33 their primary treatment problem area 75

34 Per cent of juveniles returned to custody

35 within 12 months of release 36

36 The department shall provide a travel stipend to all southwest regional

37 juvenile correction complex staff whose residence is at least twenty miles

38 from work.

39 Twenty-five per cent of land earnings and interest from the state

40 charitable, penal and reformatory institutions land fund shall be distributed

41 to the department of juvenile corrections, in compliance with section 25 of

42 the enabling act and the Constitution of Arizona, to be used for the support

43 of state juvenile institutions and reformatories.

Before the expenditure of any state education fund for committed youth receipts in excess of \$2,682,500, the department of juvenile corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

Sec. 12. STATE MINE INSPECTOR

2008-09

FTE positions	17.0
Operating lump sum appropriation	\$ 1,470,800
Abandoned mines safety fund deposit	<u>182,000</u>
Total appropriation - state mine inspector	\$ 1,652,800
Fund sources:	
State general fund	\$ 1,652,800
Performance measures:	
Per cent of mandated inspections completed	80
Number of inspections	632
Customer satisfaction rating for mines	
(Scale 1-8)	6.0

Sec. 13. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

2008-09

FTE positions	2.0
Lump sum appropriation	\$ 180,000
Fund sources:	
State general fund	\$ 180,000

Sec. 14. DEPARTMENT OF PUBLIC SAFETY

2008-09

FTE positions	2,123.8
Operating lump sum appropriation	\$187,303,400
GIITEM	31,799,700
Officer safety equipment	3,000,000
Motor vehicle fuel	3,935,500
Statewide interoperability design	<u>880,600</u>
Total appropriation - department of public safety	\$226,919,200
Fund sources:	
State general fund	\$ 57,778,300
Highway user revenue fund	95,656,600
State highway fund	30,343,400
Arizona highway patrol fund	21,620,000
Criminal justice enhancement fund	3,290,300
Safety enforcement and transportation infrastructure fund	1,564,100
Crime laboratory assessment fund	5,844,600
Arizona deoxyribonucleic acid identification system fund	3,623,200

1	Automated fingerprint identification	
2	system fund	3,299,200
3	Motorcycle safety fund	205,000
4	Risk management fund	296,200
5	Parity compensation fund	3,398,300

6 Performance measures:

7	Per cent of scientific analysis cases over	
8	30 calendar days old	3.0

9	Per cent of system reliability of the Arizona	
10	automated fingerprint identification network	98

11	Clandestine labs dismantled	50
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12 Of the \$31,799,700 appropriated to GIITEM, \$6,000,000 is to be used for
 13 the multijurisdictional task force known as the gang and immigration
 14 intelligence team enforcement mission (GIITEM). If the department of public
 15 safety uses any of the monies appropriated for GIITEM for an agreement or
 16 contract with a city, town, county or other entity to provide services for
 17 the GIITEM program, the city, town, county or other entity shall provide at
 18 least fifteen per cent of the cost of the services and the department of
 19 public safety shall provide not more than eighty-five per cent of personal
 20 services costs and employee related expenditures for each agreement or
 21 contract but may fund all capital related equipment. Recognizing that states
 22 have inherent authority to arrest for any immigration violation, there
 23 continues to be a benefit with 287g additional training and a partnership
 24 with immigration and customs enforcement and the federal government. The
 25 distribution of these monies are contingent on the department of public
 26 safety entering into a 287 memorandum of understanding with the United States
 27 department of homeland security. The \$6,000,000 is to be used for functions
 28 relating to immigration enforcement, including border security and border
 29 personnel. As state and local law enforcement officers come into any lawful
 30 contact with a suspected illegal alien or with gang or suspected gang members
 31 and there is reason to believe that the individual has entered or remained in
 32 the United States illegally, the use of these monies is contingent on law
 33 enforcement agencies verifying the immigration status of these individuals and
 34 taking appropriate action. The \$6,000,000 is exempt from the provisions of
 35 section 35-190, Arizona Revised Statutes, relating to the lapsing of
 36 appropriations. Any additional positions would assist GIITEM in various
 37 efforts, including: 1) arresting illegal aliens, 2) responding to or
 38 assisting any county attorney in investigating complaints of employers hiring
 39 illegal aliens, 3) investigating crimes of identity theft in the context of
 40 hiring illegal aliens and the unlawful entry into the country, and 4) taking
 41 enforcement action, as permitted under federal law and article VI of the
 42 Constitution of the United States. The department shall submit an expenditure
 43 plan to the joint legislative budget committee for review before spending any
 44 monies not identified in the department's previous expenditure plans. Within
 45 thirty days after the last day of each calendar quarter, the department shall

1 provide a summary of quarterly and year-to-date expenditures and progress to
2 the joint legislative budget committee.

3 Of the \$31,799,700 appropriated to GIITEM, \$10,045,900 is to be used
4 for one hundred department of public safety GIITEM personnel. The additional
5 staff shall include at least fifty sworn DPS positions to be used for
6 immigration enforcement and border security and up to fifty DPS positions to
7 expand GIITEM's public awareness, investigation, and intelligence efforts.
8 The additional positions would assist GIITEM in various efforts, including:
9 1) arresting illegal aliens, 2) responding to or assisting any county
10 attorney in investigating complaints of employers hiring illegal aliens, 3)
11 investigating crimes of identity theft in the context of hiring illegal
12 aliens and the unlawful entry into the country, and 4) taking enforcement
13 action, as permitted under federal law and article VI of the Constitution of
14 the United States. As state and local law enforcement officers come into
15 contact with gang or suspected gang members and there is reason to believe
16 that the individual has entered or remained in the United States illegally,
17 the use of these monies is contingent on law enforcement agencies verifying
18 the immigration status of these individuals and taking appropriate action.
19 The department shall submit an expenditure plan to the joint legislative
20 budget committee for review prior to expending any monies not identified in
21 the department's previous expenditure plans. Within thirty days after the
22 last day of each calendar quarter, the department shall provide a summary of
23 quarterly and year-to-date expenditures and progress to the joint legislative
24 budget committee.

25 Of the \$31,799,700 appropriated to GIITEM, \$2,000,000 is to be
26 allocated to the sheriff's office of a county with a population of more than
27 two million persons for immigration enforcement. When the department of
28 public safety is under an agreement or contract with a county to provide
29 services for the GIITEM program, the county shall provide not less than
30 fifteen per cent of the cost of the services and the department of public
31 safety shall provide not more than eighty-five per cent of personal services
32 and employee related expenditures for each agreement or contract but may fund
33 all capital related equipment. As state and local law enforcement officers
34 come into any lawful contact with a suspected illegal alien or with gang or
35 suspected gang members and there is reason to believe that the individual has
36 entered or remained in the United States illegally, the use of these monies
37 is contingent on law enforcement agencies verifying the immigration status of
38 these individuals and taking appropriate action. The \$2,000,000 is exempt
39 from the provisions of section 35-190, Arizona Revised Statutes, relating to
40 the lapsing of appropriations. Any additional positions would assist GIITEM
41 in various efforts including, but not limited to: 1) arresting illegal
42 aliens, 2) responding to or assisting any county attorney in investigating
43 complaints of employers hiring illegal aliens, 3) investigating crimes of
44 identity theft in the context of hiring illegal aliens and the unlawful entry
45 into the country, and 4) taking enforcement action, as permitted under

1 federal law and article VI of the United States Constitution. The department
2 shall submit an expenditure plan to the joint legislative budget committee for
3 review prior to expending any monies not identified in the department's
4 previous expenditure plans. Within thirty days after the last day of each
5 calendar quarter, the department shall provide a summary of quarterly and
6 year-to-date expenditures and progress to the joint legislative budget
7 committee.

8 Of the \$31,799,700 appropriated to GIITEM, \$2,000,000 is to be
9 allocated to the department of public safety for the felony and fugitive task
10 force established in executive order 2008-22 for the activities of the task
11 force. If the department of public safety uses any of the monies
12 appropriated for GIITEM for an agreement or contract with a city, town,
13 county or other entity to provide services for the GIITEM program, the city,
14 town, county or other entity shall provide not less than fifteen per cent of
15 the cost of the services and the department of public safety shall provide
16 not more than eighty-five per cent of personal services and employee related
17 expenditures for each agreement or contract but may fund all capital related
18 equipment. The \$2,000,000 is exempt from the provisions of section 35-190,
19 Arizona Revised Statutes, relating to the lapsing of appropriations. The
20 department shall submit an expenditure plan to the joint legislative budget
21 committee for review prior to expending any monies not identified in the
22 department's previous expenditure plans. Within thirty days after the last
23 day of each calendar quarter, the department shall provide a summary of
24 quarterly and year-to-date expenditures and progress to the joint legislative
25 budget committee.

26 Of the \$3,000,000 appropriated to officer safety equipment, \$2,500,000
27 is to be used by the department for personal public safety equipment,
28 including protective body armor, electronic stun devices and digital video
29 equipment, and \$500,000 is to be allocated to the Arizona criminal justice
30 commission for distribution to local law enforcement agencies to retrofit
31 public safety vehicles to aid in the prevention of fires resulting from rear
32 end collisions in fiscal year 2008-2009. The commission shall distribute the
33 monies on a first come first served basis with a maximum of \$1,000 per
34 vehicle. A person or entity that sells or offers to sell an active or
35 passive fire suppression kit shall comply with the testing requirements of
36 section 44-1224, Arizona Revised Statutes.

37 The operating lump sum appropriation includes a lump sum reduction of
38 \$(2,930,100). This reduction is for administrative costs only and shall not
39 be taken against any monies appropriated for sworn officers.

40 Any monies remaining in the department of public safety joint account
41 on June 30, 2009 shall revert to the funds from which they were appropriated.
42 The reverted monies shall be returned in direct proportion to the amounts
43 appropriated.

1	Sec. 15. SCHOOL FACILITIES BOARD	
2		<u>2008-09</u>
3	FTE positions	20.0
4	Operating lump sum appropriation	\$ 1,750,000
5	New school facilities debt service	79,268,400
6	Building renewal	<u>10,000,000</u>
7	Total appropriation - school facilities	
8	board	\$ 91,018,400
9	Fund sources:	
10	State general fund	\$ 91,018,400
11	Performance measures:	
12	Per cent of school districts inspected	
13	meeting minimum adequacy standards	100
14	Per cent of school districts rating the	
15	board's services as "good" or "excellent"	
16	in an annual survey	95
17	Sec. 16. DEPARTMENT OF TRANSPORTATION	
18		<u>2008-09</u>
19	<u>Administration</u>	
20	FTE positions	412.0
21	Operating lump sum appropriation	\$ 42,409,600
22	Attorney general legal services	<u>3,052,600</u>
23	Total appropriation - administration	\$ 45,462,200
24	Fund sources:	
25	State highway fund	\$ 45,462,200
26	<u>Highways</u>	
27	FTE positions	2,548.0
28	Operating lump sum appropriation	\$137,941,600
29	Highway maintenance	132,027,000
30	Vehicles and heavy equipment	35,047,800
31	Vehicles and heavy equipment	
32	fuel surcharge	<u>2,000,000</u>
33	Total - highways	\$307,016,400
34	Fund sources:	
35	State general fund	\$ 86,600
36	Safety enforcement and	
37	transportation	
38	infrastructure fund	558,700
39	State highway fund	270,323,300
40	Transportation department	
41	equipment fund	36,047,800

1 Performance measures:

2 Per cent of Maricopa regional freeway	
3 miles completed for the original	
4 twenty-year half cent sales tax	
5 ending December 31, 2005	100
6 Per cent of Maricopa regional freeway	
7 travel lane miles completed for	
8 the twenty-year half cent sales tax	
9 extension effective January 1, 2006	10.5
10 Per cent of overall highway construction	
11 projects completed on schedule	97

12 Of the total amount appropriated for the highways program, \$132,027,000
 13 in fiscal year 2008-2009 for highway maintenance is exempt from the
 14 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
 15 of appropriations, except that all unexpended and unencumbered monies of the
 16 appropriation revert to their fund of origin, either the state highway fund
 17 or the safety enforcement and transportation infrastructure fund, on August
 18 31, 2009.

19 Of the total amount appropriated for the highways program, \$2,663,000
 20 in fiscal year 2008-2009 is for performance pay for participants in the
 21 department's engineer pay plan. The department shall establish performance
 22 measures with measurable quality and quantity objectives for participants in
 23 the engineer pay plan that are designed to result in increased productivity
 24 and improved quality of the delivery of state services or products. The
 25 department shall either apply these performance measures to the entire
 26 engineer pay plan or apply relevant performance measures to subsets within
 27 the engineering pay plan either on a group or individual basis. Every
 28 quarter or month, the department shall review the participants' performance
 29 to determine if the performance measures were met. If the performance
 30 measures are met or exceeded, the applicable participants are entitled to
 31 receive the performance pay for the corresponding quarter.

32 Motor vehicle

33 FTE positions	1,755.0
34 Operating lump sum appropriation	\$108,003,600
35 Abandoned vehicle administration	1,039,800
36 Fraud investigation	788,300
37 New third party funding	<u>960,300</u>
38 Total appropriation - motor vehicle	\$110,792,000

39 Fund sources:

40 Air quality fund	\$ 71,700
41 Driving under the influence	
42 abatement fund	143,300
43 Highway user revenue fund	617,000
44 Motor vehicle liability insurance	
45 enforcement fund	2,456,900

1	Safety enforcement and	
2	transportation infrastructure	
3	fund	1,613,700
4	State highway fund	104,169,700
5	Vehicle inspection and title	
6	enforcement fund	1,719,700
7	Performance measures:	
8	Average office wait time from arriving at	
9	MVD office to receiving numbered ticket	
10	(minutes)	2.0
11	Average office wait time from receiving	
12	numbered ticket to arriving at counter	
13	(minutes)	15.0
14	Per cent of office customers rating	
15	services "good" or "excellent"	83
16	Average telephone wait time to speak	
17	to an MVD employee (minutes)	15.2
18	Per cent of alternative vehicle	
19	registration renewal methods	
20	(mail, internet, third party)	80

21 The department shall not transfer any funds to or from the motor
 22 vehicle division without the review by the joint legislative budget
 23 committee.

24 The department of transportation shall submit quarterly progress
 25 reports to the joint legislative budget committee on their progress in
 26 improving motor vehicle division wait times and vehicle registration renewal
 27 by mail turnaround times. The reports shall document the monthly averages
 28 for the total time customers spent at the office and the reasons for changes
 29 in these times for each motor vehicle division field office equipped with
 30 electronic customer monitoring devices. The reports shall document the wait
 31 time to get a numbered ticket from a motor vehicle division employee, the
 32 time between receiving the numbered ticket and arriving at the counter and
 33 the transaction time at the counter. The reports shall document the number
 34 of customers who arrived at motor vehicle division offices but who did not
 35 complete their transaction, and the motor vehicle division's average
 36 turnaround time for vehicle registration renewal by mail. The reports shall
 37 include details by office for all offices in the metropolitan areas which are
 38 defined to include all of Maricopa county, Apache Junction, Tucson and
 39 Flagstaff, and summarized for the nonmetropolitan areas. In addition to
 40 documenting wait times, the reports shall document the number of primary
 41 transactions (driver licenses, titles and vehicle registrations) and
 42 secondary transactions (all others), the number of counter positions assigned
 43 and filled and the productivity levels (the average number of primary
 44 transactions completed by staff and the average number of secondary
 45 transactions completed by staff). The reports shall document the number of

primary and secondary transactions completed by third parties by metropolitan and nonmetropolitan area offices. The reports are due within thirty days after the end of each calendar quarter.

Aeronautics

FTE positions	33.0
Lump sum appropriation	\$ 2,353,900
Fund sources:	
State aviation fund	\$ 2,353,900
Performance measures:	
Per cent of airport development projects completed on schedule	95
Agencywide lump sum reduction	\$(23,000,000)
Fund sources:	
State highway fund	\$(23,000,000)
Total appropriation - department of transportation	\$ 442,624,500
Fund sources:	
State general fund	\$ 86,600
Air quality fund	71,700
Driving under the influence abatement fund	143,300
Highway user revenue fund	617,000
Motor vehicle liability insurance enforcement fund	2,456,900
Safety enforcement and transportation infrastructure fund	2,172,400
State aviation fund	2,353,900
State highway fund	396,955,200
Transportation department equipment fund	36,047,800
Vehicle inspection and title enforcement fund	1,719,700

Of the \$442,624,500 appropriation to the department of transportation, the department of transportation shall pay \$16,773,800 in fiscal year 2008-2009 from all funds to the department of administration for its risk management payment.

Sec. 17. STATE TREASURER

	<u>2008-09</u>
FTE positions	34.4
Operating lump sum appropriation	\$ 2,834,700
Justice of the peace salaries	<u>2,230,100</u>
Total appropriation - state treasurer	\$ 5,064,800

1	Fund sources:	
2	State general fund	\$ 5,063,500
3	State treasurer's management fund	1,300
4	Performance measures:	
5	Ratio of yield of LGIP to Standard	
6	and Poor's LGIP index	1.2
7	Ratio of yield of endowment pools to	
8	Big Bond Index	1.1
9	Customer satisfaction rating for local	
10	government investment pool participants	
11	(Scale 1-8)	7.4
12	Before changing the six basis point investment management fee, the	
13	treasurer shall submit the proposed change and its fiscal impact for review	
14	by the joint legislative budget committee.	
15	Sec. 18. UNIVERSITIES	
16	ARIZONA BOARD OF REGENTS	
17		<u>2008-09</u>
18	FTE positions	27.9
19	Operating lump sum appropriation	\$ 2,404,100
20	Arizona teachers incentive program	90,000
21	Arizona transfer articulation	
22	support system	213,700
23	Student financial assistance	10,041,200
24	Math and science teacher initiative	2,250,000
25	Western interstate commission	
26	office	116,000
27	WICHE student subsidies	<u>4,115,000</u>
28	Total appropriation - Arizona board of	
29	regents	\$ 19,230,000
30	Fund sources:	
31	State general fund	\$ 19,230,000
32	Performance measures:	
33	Per cent of graduating seniors who rate	
34	their overall university experience	
35	as "good"/"excellent"	96
36	Per cent of full-time undergraduate students	
37	enrolled per semester in three or more	
38	primary courses with ranked faculty	77
39	Per cent of full-time undergraduate students	
40	enrolled per semester in three or more	
41	primary courses with professors of any rank	44
42	Average number of years taken to graduate	
43	for students who began as freshmen	4.5

The \$2,250,000 appropriation from the state general fund for the math and science teacher initiative shall be deposited into the mathematics, science and special education teacher student loan fund if established by section 15-784, Arizona Revised Statutes. Of this amount, the Arizona board of regents shall use \$1,750,000 for student loans to eligible prospective math and science teachers and \$500,000 for student loans to eligible prospective special education teachers. The Arizona board of regents may retain up to \$100,000 of the appropriation for the math and science teacher initiative for administrative costs directly incurred by the board.

Within ten days of the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit an expenditure plan for review by the joint legislative budget committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

ARIZONA STATE UNIVERSITY

	<u>2008-09</u>
FTE positions	8,469.0
Operating lump sum appropriation	\$721,485,200
Biomedical informatics	3,051,800
Downtown Phoenix campus	51,573,100
TRIF lease-purchase payment	<u>3,600,000</u>
Total appropriation - Arizona state university	\$779,710,100
Fund sources:	
State general fund	\$489,792,700
University collections fund	286,317,400
Technology and research initiative fund	3,600,000
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	71
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	35
Average number of years taken to graduate for students who began as freshmen	4.6
External dollars for research and creative activity	\$205,000,000

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

The appropriated monies shall not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which the state is the adverse party.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

NORTHERN ARIZONA UNIVERSITY

	<u>2008-09</u>
FTE positions	2,238.9
Operating lump sum appropriation	\$210,718,700
NAU - Yuma	<u>2,489,500</u>
Total appropriation - Northern Arizona university	\$213,208,200
Fund sources:	
State general fund	\$161,468,600
University collections fund	51,739,600
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	98
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	93
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	65
Average number of years taken to graduate for students who began as freshmen	4.5

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

UNIVERSITY OF ARIZONA

	<u>2008-09</u>
FTE positions	6,645.6
Operating lump sum appropriation	\$481,623,700
Agriculture	40,427,500
Arizona cooperative extension	14,511,900
Sierra Vista campus	5,625,300
Clinical rural rotation	515,200
Clinical teaching support	9,969,700
Liver research institute	544,800
Phoenix medical campus	12,701,700
Telemedicine network	<u>2,237,900</u>
Total appropriation - university of Arizona	\$568,157,700
Fund sources:	
State general fund	\$424,849,800
University collections fund	143,307,900
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	50
Average number of years taken to graduate for students who began as freshmen	4.6
The state general fund appropriations shall not be used for alumni association funding.	
The appropriated monies are not to be used for scholarships.	

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

University budget requests shall provide as much detail for the Phoenix medical campus as for any other budget program. Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or from the amounts appropriated for the Phoenix medical campus line item shall require prior review by the joint legislative budget committee.

On August 15, 2008 and February 15, 2009, the university of Arizona and the Arizona board of regents shall report to the joint legislative budget committee updates concerning the formal relationship between the Phoenix medical campus and area hospitals, partnerships with private medical schools, the availability of clinical rotations for medical students in this state, the creation of new residency positions in this state, the expansion of medical services in this state's rural areas, the attraction of out-of-state medical students to practice in this state and any other strategies being considered or employed to prevent a doctor shortage in this state or the rural areas of this state.

Lump sum reduction	\$ (65,000,000)
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Fund sources:

State general fund	\$ (65,000,000)
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On August 15, 2008, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the \$65,000,000 general fund reduction among university campuses. University reductions shall be made in proportion to the amount of state general fund monies received by each university.

Total appropriation - Universities	\$1,515,306,000
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Fund sources:

State general fund	\$1,030,341,100
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University collections fund	481,364,900
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Technology and research initiative fund	3,600,000
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1 Sec. 19. Appropriation reductions: fiscal year 2008-2009

2 Notwithstanding any other law, the following amounts are reduced from
3 the state general fund in fiscal year 2008-2009 as listed below from
4 appropriations made to state agencies:

- 5 1. Office of administrative hearings - \$4,500.
- 6 2. Arizona department of agriculture - \$2,000,000.
- 7 3. Commission on the arts - \$200,000.
- 8 4. Attorney general - \$2,456,200.
- 9 5. State board for charter schools - \$262,400 and 3 FTE positions.
- 10 6. Department of commerce - \$5,730,800 and 16 FTE positions.
- 11 7. Corporation commission - \$546,000.
- 12 8. Arizona criminal justice commission - \$1,900,000.
- 13 9. Department of emergency and military affairs - \$400,000.
- 14 10. Department of environmental quality - \$5,147,900.
- 15 11. Governor's office of equal opportunity - \$19,500.
- 16 12. State board of equalization - \$67,300.
- 17 13. Board of executive clemency - \$60,000.
- 18 14. Department of fire, building and life safety - \$300,000.
- 19 15. Arizona geological survey - \$60,000.
- 20 16. Government information technology agency - \$1,500,000.
- 21 17. Office of the governor - \$551,900.
- 22 18. Governor's office of strategic planning and budgeting - \$173,600.
- 23 19. Arizona historical society - \$350,000.
- 24 20. Prescott historical society - \$64,000.
- 25 21. Arizona commission of Indian affairs - \$223,300.
- 26 22. Department of insurance - \$780,100.
- 27 23. State land department - \$4,000,000 and 12 FTE positions.
- 28 24. Law enforcement merit system council - \$2,000.
- 29 25. Auditor general - \$1,386,900.
- 30 26. House of representatives - \$927,200.
- 31 27. Joint legislative budget committee - \$228,100.
- 32 28. Legislative council - \$428,800.
- 33 29. Arizona state library, archives & public records - \$778,800.
- 34 30. Senate - \$639,900.
- 35 31. Department of liquor licenses and control - \$212,100.
- 36 32. Board of medical student loans - \$379,000.
- 37 33. Department of mines and mineral resources - \$40,000.
- 38 34. Arizona state parks board - \$2,340,000 and 21 FTE positions.
- 39 35. Personnel board - \$37,100.
- 40 36. Arizona pioneers' home - \$1,236,000.
- 41 37. Commission for postsecondary education - \$50,000 and 1 FTE
42 position.
- 43 38. Arizona department of racing - \$570,200.
- 44 39. Radiation regulatory agency - \$165,800.
- 45 40. State real estate department - \$922,800.

41. Department of revenue - \$9,072,500 and 16 FTE positions.

42. Secretary of state - \$138,300.

43. State board of tax appeals - \$6,300.

44. Office of tourism - \$6,412,400.

45. Department of water resources - \$4,500,000.

46. Department of weights and measures - \$171,100.

Sec. 20. Fund reduction; Arizona geological survey

Notwithstanding any other law, the geological survey reduction may not be taken against the appropriation made for earth fissure maps.

Sec. 21. Fund reduction; game and fish

Notwithstanding any other law, \$1,200,000 is reduced from the watercraft licensing fund in fiscal year 2008-2009 from the appropriation made to the game and fish department.

Sec. 22. Fund reduction; government information technology agency

Notwithstanding any other law, \$1,000,000 and 7.3 FTE positions are reduced from the information technology fund in fiscal year 2008-2009 from the appropriation made to the government information technology agency.

Sec. 23. Appropriation reduction; government information technology agency

Notwithstanding Laws 2007, chapter 259, section 22, the appropriation from the state general fund for the statewide information security and privacy office line item of the government information technology agency is reduced by \$500,000 and 3 FTE positions in fiscal year 2008-2009.

Sec. 24. Appropriation reduction; department of public safety parking garage

Notwithstanding Laws 2007, chapter 261, section 16, the department of public safety appropriation from the DNA identification system fund is reduced by \$1,000,000 in fiscal year 2008-2009 to delay the construction of a new parking garage.

Sec. 25. Appropriation reduction; biomedical research commission

Notwithstanding Laws 2007, chapter 263, section 42, the Arizona biomedical research commission appropriation from the state general fund is reduced by \$1,000,000 in fiscal year 2008-2009 to delay the public regenerative tissue repository.

Sec. 26. Appropriation reduction; twenty-first century competitive initiative fund

Notwithstanding Laws 2007, chapter 260, section 6, the appropriation to department of commerce for the Arizona twenty-first century competitive initiative fund is reduced by \$25,000,000 from the state general fund in fiscal year 2008-2009.

1 Sec. 27. Information technology retirement appropriations:
2 lapsing extension; retroactivity

3 A. Notwithstanding any other law, the amounts appropriated to the
4 information technology plan line item for the Arizona state retirement system
5 for fiscal year 2004-2005 by Laws 2003, chapter 262, section 88, as amended
6 by Laws 2005, chapter 331, section 12, and exempted from lapsing by Laws
7 2006, chapter 316, section 6 and Laws 2007, chapter 259, section 17, and for
8 fiscal year 2005-2006 by Laws 2005, chapter 286, section 87, as exempted from
9 lapsing by Laws 2006, chapter 316, section 6 and Laws 2007, chapter 259,
10 section 17, are exempt from the provisions of section 35-190, Arizona Revised
11 Statutes, relating to lapsing of appropriations, through June 30, 2009.

12 B. This section is effective retroactively to from and after June 30,
13 2008.

14 Sec. 28. Transfer of fund monies to the state general fund:
15 fiscal year 2008-2009

16 A. On or before June 30, 2009, the following amounts from the funds or
17 sources indicated are transferred to the state general fund for the purposes
18 of providing adequate support and maintenance for agencies of this state:

19 1. State board of accountancy:

20 Board of accountancy fund - \$264,000.

21 2. Acupuncture board of examiners:

22 Acupuncture board of examiners fund - \$49,100.

23 3. Department of administration:

24 Certificate of participation fund - \$750,000.

25 Construction insurance fund - \$11,628,800.

26 Motor vehicle pool revolving fund - \$4,793,500.

27 Retiree accumulated sick leave fund - \$7,597,300.

28 Emergency telecommunication services revolving fund - \$25,085,500.

29 Automation operations fund - \$3,328,200.

30 Telecommunications fund - \$5,989,800.

31 Personnel division fund - \$1,231,900.

32 Risk management revolving fund - \$16,337,000.

33 Special employee health insurance trust fund - \$453,800.

34 Capital outlay stabilization fund - \$3,590,200.

35 Air quality fund - \$49,900.

36 Corrections fund - \$64,400.

37 State surplus materials revolving fund - \$110,400.

38 4. Arizona department of agriculture:

39 Agricultural consulting and training fund - \$200,000.

40 Pesticide fund - \$25,000.

41 Seed law fund - \$15,000.

42 5. State board of appraisal:

43 Board of appraisal fund - \$200,000.

44 6. Arizona commission on the arts:

45 Arts endowment fund - \$7,000,000.

- 1 7. Attorney general - department of law:
 - 2 Anti-racketeering revolving fund - \$302,100.
- 3 8. Board of barbers:
 - 4 Board of barbers fund - \$163,600.
- 5 9. State board of chiropractic examiners:
 - 6 Board of chiropractic examiners fund - \$66,800.
- 7 10. Department of commerce:
 - 8 Commerce and economic development commission fund - \$2,926,100.
 - 9 Greater Arizona development authority revolving fund - \$4,000,000.
 - 10 Job training fund - \$17,300,000.
 - 11 Military installation fund - \$1,000,000.
- 12 11. Registrar of contractors:
 - 13 Registrar of contractors fund - \$2,418,900.
 - 14 Residential contractors' recovery fund - \$10,800,000.
- 15 12. Corporation commission:
 - 16 Utility regulation revolving fund - \$2,632,600.
 - 17 Securities regulatory and enforcement fund - \$1,200,000.
 - 18 Investment management regulatory and enforcement fund - \$500,000.
 - 19 Public access fund - \$339,300.
- 20 13. State department of corrections:
 - 21 Transition office fund - \$339,600.
 - 22 Transition program drug treatment fund - \$100,000.
 - 23 Alcohol abuse treatment fund - \$1,300,000.
- 24 14. Board of cosmetology:
 - 25 Board of cosmetology fund - \$734,600.
- 26 15. Arizona criminal justice commission:
 - 27 Criminal justice enhancement fund - \$100,000.
 - 28 State aid to county attorneys fund - \$800,000.
 - 29 State aid to indigent defense fund - \$1,550,000.
- 30 16. Commission for the deaf and the hard of hearing:
 - 31 Telecommunication fund for the deaf - \$1,044,600.
- 32 17. State board of dental examiners:
 - 33 Dental board fund - \$838,400.
- 34 18. Department of economic security:
 - 35 Spinal and head injuries trust fund - \$395,200.
 - 36 Special administration fund - \$2,900,000.
 - 37 Public assistance collections fund - \$186,900.
 - 38 Utility assistance fund - \$550,000.
- 39 19. Department of education:
 - 40 Special education fund - \$4,234,000.
 - 41 Internal services fund - \$500,000.
- 42 20. Department of emergency military affairs:
 - 43 State armory property fund - \$44,600.

- 1 21. Department of environmental quality:
 - 2 Air quality fund - \$3,667,600.
 - 3 Indirect cost recovery fund - \$2,000,000.
 - 4 Recycling fund - \$3,000,000.
 - 5 Water quality assurance revolving fund - \$4,000,000.
 - 6 Underground storage tank revolving fund - \$12,000,000.
 - 7 Emissions inspection fund - \$1,000,000.
 - 8 Solid waste fee fund - \$300,000.
 - 9 Voluntary vehicle repair and retrofit program fund - \$1,400,000.
 - 10 Water quality fee fund - \$700,000.
 - 11 Clean water revolving fund - \$2,000,000.
- 12 22. Department of financial institutions:
 - 13 Arizona escrow guaranty fund - \$1,512,700.
 - 14 Receivership revolving fund - \$750,000.
- 15 23. State board of funeral directors and embalmers:
 - 16 Board of funeral directors and embalmers fund - \$274,300.
- 17 24. Arizona game and fish department:
 - 18 Watercraft licensing fund - \$1,200,000.
- 19 25. Government information technology agency:
 - 20 State web portal fund - \$3,000,000.
- 21 26. Department of health services:
 - 22 Intergovernmental agreements fund - \$5,200,000.
 - 23 Emergency medical services operating fund - \$1,000,000.
 - 24 Indirect cost fund - \$4,000,000.
 - 25 Substance abuse services fund - \$1,100,000.
 - 26 Internal services fund - \$50,000.
 - 27 Vital records electronic systems fund - \$100,000.
 - 28 Hearing and speech professionals fund - \$25,000.
 - 29 Poison control fund - \$4,600.
 - 30 Arizona medical board fund - \$25,800.
 - 31 Prescription drug advisory council - \$10,000.
- 32 27. Arizona department of housing:
 - 33 Housing program fund - \$3,100,000.
 - 34 Housing trust fund - \$30,000,000.
 - 35 Intergovernmental agreements fund - \$3,306,400.
- 36 28. Industrial commission of Arizona:
 - 37 Industrial commission administrative fund - \$15,000,000.
- 38 29. Department of insurance:
 - 39 Insurance examiners' revolving fund - \$750,000.
- 40 30. Judiciary:
 - 41 Juvenile delinquent reduction fund - \$3,000,000.
 - 42 Drug treatment and education fund - \$500,800.
 - 43 Arizona lengthy trial fund - \$750,000.
- 44 31. Juvenile corrections:
 - 45 Criminal justice enhancement fund - \$150,000.

- 1 32. Department of liquor license and control:
 - 2 Liquor license special collections fund - \$670,000.
- 3 33. Arizona state lottery commission:
 - 4 State lottery fund - \$4,543,600.
- 5 34. Naturopathic physicians board of medical examiners:
 - 6 Naturopathic physicians board of medical examiners fund - \$360,400.
- 7 35. State board of nursing:
 - 8 Board of nursing fund - \$800,000.
- 9 36. Board of occupational therapy examiners:
 - 10 Occupational therapy fund - \$103,700.
- 11 37. State board of optometry:
 - 12 Board of optometry fund - \$110,000.
- 13 38. Arizona board of osteopathic examiners:
 - 14 Board of osteopathic examiners fund - \$328,900.
- 15 39. Parents commission on drug education and prevention:
 - 16 Drug treatment and education fund - \$3,462,300.
- 17 40. Arizona state parks board:
 - 18 Land conservation fund - administrative account - \$7,500,000.
 - 19 Off-highway vehicle recreation fund - \$760,200.
 - 20 State lake improvement fund - \$6,353,500.
 - 21 State parks enhancement fund - \$1,489,300.
- 22 41. Arizona state board of pharmacy:
 - 23 Board of pharmacy fund - \$429,000.
- 24 42. State board for private postsecondary education:
 - 25 Board for private postsecondary education fund - \$142,400.
- 26 43. State board of psychologist examiners:
 - 27 Board of psychologist examiners fund - \$142,800.
- 28 44. Department of public safety:
 - 29 Automated fingerprint identification system fund - \$500,000.
 - 30 Arizona deoxyribonucleic acid (DNA) identification system fund -
 - 31 \$1,000,000.
 - 32 Arizona highway patrol fund - \$2,000,000.
 - 33 Records processing fund - \$301,600.
- 34 45. Arizona department of racing:
 - 35 Arizona breeders award fund - \$113,500.
 - 36 County fairs racing betterment racing fund - \$200,000.
- 37 46. State real estate department:
 - 38 Condominium recovery fund - \$5,000.
 - 39 Recovery fund - \$202,500.
- 40 47. Department of revenue:
 - 41 Estate and unclaimed property - \$1,133,000.
 - 42 Liability setoff fund - \$850,000.
- 43 48. Structural pest control commission:
 - 44 Structural pest control commission fund - \$359,200.

1 49. State board of technical registration:

2 Technical registration fund - \$600,400.

3 50. Office of tourism:

4 Tourism fund - \$4,000,000.

5 51. Department of transportation:

6 Economic strength project fund - \$1,000,000.

7 Motor vehicle liability insurance enforcement fund - \$4,000,000.

8 State aviation fund - \$18,300,000.

9 Transportation department equipment fund - \$3,100,000.

10 Vehicle inspection and title enforcement fund - \$1,750,000.

11 52. Arizona state veterinary medical examining board:

12 Veterinary medical examining board fund - \$142,100.

13 53. Department of water resources:

14 Arizona water banking fund - \$3,000,000.

15 54. Budget stabilization fund - \$85,000,000.

16 B. Agencies listed shall reduce expenditures from the listed funds
17 accordingly in order to ensure a sufficient fund balance for these fund
18 transfers.

19 C. The listed fund transfers shall be made as soon as practicable.

20 Sec. 29. Vehicle license tax; transfer

21 Notwithstanding section 28-6538, Arizona Revised Statutes, or any other
22 law, the first \$36,139,000 received in fiscal year 2008-2009 pursuant to
23 title 28, chapter 16, article 3, Arizona Revised Statutes, relating to
24 vehicle license tax, for distribution to the state highway fund pursuant to
25 section 28-6538, subsection A, paragraph 1, Arizona Revised Statutes, shall
26 be deposited in the state general fund.

27 Sec. 30. Supplemental appropriation; auditor general

28 The sum of \$2,000,000 is appropriated from the state general fund in
29 fiscal year 2008-2009 to the auditor general for eligibility sample
30 verification.

31 Sec. 31. Supplemental appropriations; corporation commission

32 The sum of \$391,400 and 9 FTE positions are appropriated from the
33 public access fund in fiscal year 2008-2009 to the corporation commission for
34 supplemental funding as follows:

35 1. \$338,300 to replace the state of Arizona public access system.

36 2. \$53,100 and 1 FTE position to address slow processing times for the
37 annual reports division.

38 3. 8 FTE positions for the corporations filings same day service line
39 item.

40 Sec. 32. Supplemental appropriation; Arizona state retirement
41 system

42 The sum of \$267,700 is appropriated from the state retirement system
43 administration account in fiscal year 2008-2009 to the Arizona state
44 retirement system for increases in employee related expenditures.

Sec. 33. Supplemental appropriation: commission for postsecondary education

The sum of \$900,000 is appropriated from the postsecondary education fund in fiscal year 2008-2009 to the commission for postsecondary education for increases in the leveraging educational assistance partnership line item.

Sec. 34. Supplemental appropriation; department of weights and measures

A. The sum of \$199,200 is appropriated from the motor vehicle liability insurance enforcement fund in fiscal year 2008-2009 to the department of weights and measures for supplemental funding for increased enforcement of taxi licensing and inspections.

B. Before any taxi license is issued, the department of weights and measures shall confirm that the applicant is in compliance with section 23-212, Arizona Revised Statutes.

Sec. 35. Supplemental appropriation; state land department

The sum of \$40,000 is appropriated to the state land department from the environmental special plate fund in fiscal year 2008-2009 for the natural resource conservation districts line item.

Sec. 36. Supplemental appropriation; state board of
psychologist examiners

The sum of \$13,500 is appropriated from the board of psychologist examiners fund in fiscal year 2008-2009 to the state board of psychologist examiners for supplemental funding for board member reimbursement and other operating expenditures.

Sec. 37. Supplemental appropriation; board of homeopathic medical examiners

The sum of \$22,400 is appropriated from the board of homeopathic medical examiners' fund in fiscal year 2008-2009 to the board of homeopathic medical examiners for supplemental funding to comply with auditor general performance audit recommendations.

Sec. 38. Supplemental appropriation; department of commerce

The sum of \$750,000 and 4 FTE positions is appropriated to the department of commerce from the commerce and economic development fund in fiscal year 2008-2009 to provide supplemental funding to offset a state general fund reduction.

Sec. 39. Supplemental appropriation; Arizona state parks board

The sum of \$1,500,000 and 21 FTE positions is appropriated from the state parks enhancement fund in fiscal year 2008-2009 to the Arizona state parks board to provide supplemental funding to offset a state general fund reduction.

Sec. 40. Supplemental appropriation: Arizona pioneers' home

The sum of \$1,236,000 is appropriated from the miners' hospital fund in fiscal year 2008-2009 to the Arizona pioneers' home to provide supplemental funding to offset a state general fund reduction.

Sec. 41. Supplemental appropriation; attorney general

The sum of \$1,700,000 is appropriated from the consumer fraud revolving fund in fiscal year 2008-2009 to the attorney general for expenditures relating to the master settlement agreement litigation.

Sec. 42. Department of environmental quality; appropriation limitations

A. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the air permits administration fund in the department of environmental quality shall not exceed \$5,890,300 for fiscal year 2008-2009.

B. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the indirect cost recovery fund in the department of environmental quality shall not exceed \$10,531,000 for fiscal year 2008-2009.

C. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the water quality fee fund in the department of environmental quality shall not exceed \$5,839,100 for fiscal year 2008-2009.

Sec. 43. Appropriation; operating adjustments; annualization
2008-09

State employee health insurance	
adjustments	\$ 4,003,300

Fund sources:

State general fund	\$ 2,291,500
Other appropriated funds	1,711,800

State employee retirement

adjustments	\$ 1,836,500
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Fund sources:

State general fund	\$ 1,025,500
Other appropriated funds	811,000

State employee salary adjustments	\$ 12,365,200
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Fund sources:

State general fund	\$ 6,584,200
Other appropriated funds	5,781,000

State-owned space rent adjustments	\$ 2,009,900
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Fund sources:

State general fund	\$ 1,574,000
Other appropriated funds	435,900

State telecommunications adjustments	\$ 913,800
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Fund sources:

State general fund	\$ 913,800
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State lease-purchase and

privatized-lease-to-own adjustments	\$ 274,000
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Fund sources:

State general fund	\$ 274,000
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Human resources pro rata adjustments	\$ 76,900
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1 Fund sources:
2 State general fund \$ 38,400
3 Other appropriated funds 38,500
4 Risk management adjustments \$ 292,000
5 Fund sources:
6 State general fund \$ 292,000
7 Assistant attorney general salary
8 adjustments 2,906,200
9 Fund sources:
10 State general fund \$ 982,800
11 Other appropriated funds 1,923,400
12 The other appropriated funds may be allocated from the following funds:
13 board of accountancy fund, acupuncture board of examiners fund, air permits
14 administration fund, air quality fund, antitrust enforcement revolving fund,
15 board of appraisal fund, Arizona arts trust fund, assured and adequate water
16 supply administration fund, attorney general legal services cost allocation
17 fund, Arizona automated fingerprint identification system fund, automobile
18 theft authority fund, automation operations fund, state aviation fund, board
19 of barbers fund, board of behavioral health examiners fund, Arizona benefits
20 fund, bond fund, capital outlay stabilization fund, state charitable fund,
21 child abuse prevention fund, child fatality review fund, child support
22 enforcement administration fund, children's health insurance program fund,
23 board of chiropractic examiners fund, citrus, fruit and vegetable revolving
24 fund, collection enforcement revolving fund, commerce and economic
25 development commission fund, commercial feed fund, confidential intermediary
26 and fiduciary fund, agricultural consulting and training fund, consumer
27 protection-consumer fraud revolving fund, corrections fund, board of
28 cosmetology fund, crime laboratory assessment fund, criminal justice
29 enhancement fund, county fair racing fund, court appointed special advocate
30 fund, defensive driving school fund, dental board fund, Arizona
31 deoxyribonucleic acid identification system fund, board of dispensing
32 opticians fund, driving under the influence abatement fund, drug and gang
33 prevention resource center fund, state education fund for committed youth,
34 state education fund for correctional education, state egg inspection fund,
35 election systems improvement fund, emergency medical services operating fund,
36 emissions inspection fund, environmental laboratory licensure revolving fund,
37 estate and unclaimed property fund, Arizona exposition and state fair fund,
38 federal child care and development fund block grant, federal Reed act grant,
39 federal surplus materials revolving fund, federal temporary assistance for
40 needy families block grant, fertilizer materials fund, board of funeral
41 directors' and embalmers' fund, fingerprint clearance card fund, game and
42 fish fund, game, nongame, fish and endangered species fund, hazardous waste
43 management fund, healthcare group fund, hearing and speech professionals
44 fund, state highway fund, Arizona highway patrol fund, highway user revenue
45 fund, board of homeopathic medical examiners' fund, housing trust fund, DHS

1 indirect cost fund, ADEQ indirect cost recovery fund, industrial commission
2 administrative fund, information technology fund, interagency service
3 agreements fund, intergovernmental agreements and grants, investment
4 management regulatory and enforcement fund, judicial collection enhancement
5 fund, land conservation fund administration account, lease-purchase building
6 operating and maintenance fund, liability set-off fund, long-term care system
7 fund, long-term disability administration account, state lottery fund,
8 Arizona medical board fund, the miners' hospital for disabled miners land
9 fund, motor vehicle liability insurance enforcement fund, motor vehicle pool
10 revolving fund, naturopathic physicians board of medical examiners fund,
11 newborn screening program fund, board of nursing fund, nursing care
12 institution administrators' licensing and assisted living facility managers'
13 certification fund, occupational therapy fund, oil overcharge fund, board of
14 optometry fund, board of osteopathic examiners fund, state parks enhancement
15 fund, penitentiary land fund, personnel division fund, pesticide fund,
16 Arizona state board of pharmacy fund, board of physical therapy fund,
17 podiatry fund, postsecondary education fund, prison construction and
18 operations fund, board for private postsecondary education fund, professional
19 employer organization fund, Arizona protected native plant fund, board of
20 psychologist examiners fund, public access fund, public assistance
21 collections fund, racing administration fund, state radiologic technologist
22 certification fund, records services fund, recycling fund, registrar of
23 contractors fund, reservation surcharge revolving fund, residential utility
24 consumer office revolving fund, board of respiratory care examiners fund,
25 state retirement system administration account, risk management revolving
26 fund, safety enforcement and transportation infrastructure fund, Arizona
27 schools for the deaf and the blind fund, securities regulatory and
28 enforcement fund, seed law fund, solid waste fee fund, special administration
29 fund, special employee health insurance trust fund, special services
30 revolving fund, spinal and head injuries trust fund, state aid to the courts
31 fund, Arizona state hospital fund, state board of equalization fund, state
32 surplus materials revolving fund, structural pest control commission fund,
33 substance abuse services fund, teacher certification fund, technical
34 registration fund, telecommunications fund, telecommunication fund for the
35 deaf, telecommunications excise tax fund, tobacco tax and health care fund,
36 transportation department equipment fund, tribal-state compact fund, used oil
37 fund, utility regulation revolving fund, vehicle inspection and title
38 enforcement fund, state veterans' conservatorship fund, state home for
39 veterans' trust fund, veterinary medical examining board fund, victims'
40 rights fund, vital records electronic systems fund, watercraft licensing
41 fund, waterfowl conservation fund, water quality fee fund and workforce
42 investment act grant.

1 State employee health insurance adjustments

2 The amount appropriated for state employee health insurance adjustments
3 shall be for annualizing fiscal year 2007-2008 increases in the employer
4 share of state employee health insurance premiums in agencies receiving
5 fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint
6 legislative budget committee staff shall determine and the department of
7 administration shall allocate to each agency's or department's
8 employee-related expenditures an amount for the employer share of the
9 employee health insurance increases. The joint legislative budget committee
10 staff shall also determine and the department of administration shall
11 allocate adjustments, as necessary, in expenditure authority to allow
12 implementation of state employee health insurance adjustments.

13 State employee retirement adjustments

14 The amount appropriated for state employee retirement contribution
15 adjustments shall be for annualizing fiscal year 2007-2008 increases in the
16 employer share of state employee retirement contributions in agencies
17 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
18 The joint legislative budget committee staff shall determine and the
19 department of administration shall allocate to each agency's or department's
20 employee-related expenditures an amount for the employer share of the
21 employee retirement contribution increase. The joint legislative budget
22 committee staff shall also determine and the department of administration
23 shall allocate adjustments, as necessary, in expenditure authority to allow
24 implementation of state employee retirement contribution adjustments.

25 Salary adjustments

26 The amount appropriated for salary adjustments includes personal
27 services and employee-related expenditures for state officers and employees
28 in accordance with this act.

29 For fiscal year 2008-2009, the joint legislative budget committee staff
30 shall determine and the department of administration shall allocate to each
31 agency or department an amount for annualizing fiscal year 2007-2008
32 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
33 Laws 2007, chapter 255. The joint legislative budget committee staff shall
34 also determine and the department of administration shall allocate
35 adjustments, as necessary, in expenditure authority to allow implementation
36 of salary adjustments.

37 State owned space rent adjustments

38 The amount appropriated for agency rent adjustments shall be used for
39 annualizing fiscal year 2007-2008 adjustments for state owned space increases
40 from \$15.50 per square foot to \$19.50 per square foot for office space, and
41 increases from \$6.00 per square foot to \$7.00 per square foot for storage
42 space in agencies receiving fiscal year 2008-2009 appropriations in Laws
43 2007, chapter 255.

1 For fiscal year 2008-2009, the joint legislative budget committee staff
2 shall determine and the department of administration shall allocate to each
3 agency or department an amount for annualizing fiscal year 2007-2008
4 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
5 Laws 2007, chapter 255.

6 State telecommunications adjustments

7 The amount appropriated for state telecommunications adjustments shall
8 be to annualize fiscal year 2006-2007 increases and for fiscal year 2007-2008
9 adjustments in agency or department telecommunication charges in agencies
10 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
11 The joint legislative budget committee staff shall determine and the
12 department of administration shall allocate to each agency or department an
13 amount for the contribution increase. The joint legislative budget committee
14 staff shall also determine and the department of administration shall
15 allocate adjustments, as necessary, in expenditure authority to allow
16 implementation of state telecommunications adjustments.

17 State lease-purchase and privatized-lease-to-own adjustments

18 The amount appropriated for state lease-purchase and
19 privatized-lease-to-own adjustments shall be for annualizing fiscal year
20 2007-2008 adjustments in agency or department lease-purchase and
21 privatized-lease-to-own charges in agencies receiving fiscal year 2008-2009
22 appropriations in Laws 2007, chapter 255. The joint legislative budget
23 committee staff shall determine and the department of administration shall
24 allocate to each agency or department an amount for the contribution
25 increase. The joint legislative budget committee staff shall also determine
26 and the department of administration shall allocate adjustments, as
27 necessary, in expenditure authority to allow implementation of state
28 lease-purchase and privatized-lease-to-own adjustments.

29 Human resources pro rata adjustments

30 The amount appropriated for state human resources pro rata adjustments
31 shall be for annualizing increased fiscal year 2007-2008 rates in agency or
32 department human resources pro rata charges in agencies receiving fiscal year
33 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative
34 budget committee staff shall determine and the department of administration
35 shall allocate to each agency or department an amount for the contribution
36 increase. The joint legislative budget committee staff shall also determine
37 and the department of administration shall allocate adjustments, as
38 necessary, in expenditure authority to allow implementation of state human
39 resources pro rata adjustments.

40 Risk management adjustments

41 The amount appropriated for state risk management adjustments shall be
42 for annualizing new fiscal year 2007-2008 adjustments in agency or department
43 risk management charges in agencies receiving fiscal year 2008-2009
44 appropriations in Laws 2007, chapter 255. The joint legislative budget
45 committee staff shall determine and the department of administration shall

allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state risk management adjustments.

Assistant attorney general salary adjustments

For fiscal year 2008-2009, the joint legislative budget committee staff shall determine and the department of administration shall allocate to the office of the attorney general and its client agencies the amount necessary to annualize a fiscal year 2007-2008 salary adjustment to assistant attorney generals. The amount of the salary adjustment for each assistant attorney general shall be determined by the attorney general and is in addition to the statewide salary adjustment provided by this section.

Of the total \$982,800 general fund allocations, \$859,100 is for distribution to the attorney general, \$83,900 is for distribution to agencies that pay interagency service agreements with general fund appropriations, and \$39,800 is for distribution to agencies that pay the attorney general pro rata charge with general fund appropriations. Of the total \$1,923,400 other appropriated fund allocation, \$1,638,500 is for distribution to the attorney general, \$18,800 is for distribution to the game and fish department, \$244,300 is for distribution to agencies that pay interagency service agreements with other appropriated fund appropriations, and \$21,800 is for distribution to agencies that pay the attorney general pro rata charge with other appropriated fund appropriations.

Sec. 44. State owned space rent adjustments: state lease-purchase and privatized lease-to-own adjustments

State owned space rent adjustments \$1,340,000

Fund sources:

State general fund \$1,060,000

Other appropriated funds 280,000

State lease-purchase and privatized
lease-to-own adjustments \$(150,000)

Fund sources:

Other appropriated funds \$(150,000)

The amount appropriated for rent adjustments shall be used to fund agency rent charges for state owned space increases from \$19.50 per square foot to \$21.02 per square foot for office space and increases from \$7.00 per square foot to \$7.62 per square foot for storage space.

For fiscal year 2008-2009, the joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for these adjustments.

1 The amount appropriated for state lease-purchase and privatized
2 lease-to-own adjustments shall be for fiscal year 2008-2009 adjustments in
3 agency or department lease-purchase and privatized lease-to-own charges. The
4 joint legislative budget committee staff shall determine and the department
5 of administration shall allocate to each agency or department an amount for
6 the contribution increase. The joint legislative budget committee staff
7 shall also determine and the department of administration shall allocate
8 adjustments, as necessary, in expenditure authority to allow implementation
9 of state lease-purchase and privatized lease-to-own adjustments.

10 Sec. 45. Hiring appropriations; fiscal year 2007-2008;
11 reversion

12 A. Notwithstanding any other law, \$5,309,300 appropriated from the
13 state general fund and \$4,690,700 appropriated from other state funds that
14 were appropriated to state budget units for fiscal year 2008-2009 and from
15 nonfederal nonappropriated funds for hiring of state employees shall not be
16 expended or encumbered. The joint legislative budget committee shall
17 determine and the department of administration shall allocate the amount of
18 the reversion or transfer to each state agency or department.

19 B. The amounts determined pursuant to subsection A of this section
20 shall remain in or be reverted or transferred to the state general fund on
21 the effective date of this act.

22 Sec. 46. Legislative intent; expenditure reporting

23 It is the intent of the legislature that all departments, agencies or
24 budget units receiving appropriations under the terms of this act shall
25 continue to report actual, estimated and requested expenditures by budget
26 programs and budget classes in a format that is similar to the budget
27 programs and budget classes used for budgetary purposes in prior years. A
28 different format may be used if deemed necessary to implement section 35-113,
29 Arizona Revised Statutes, agreed to by the director of the joint legislative
30 budget committee and incorporated into the budget preparation instructions
31 adopted by the governor's office of strategic planning and budgeting pursuant
32 to section 35-112, Arizona Revised Statutes.

33 Sec. 47. FTE positions; reporting; definition

34 Full-time equivalent (FTE) positions contained in this act are subject
35 to appropriation. The director of the department of administration shall
36 account for the use of all appropriated FTE positions excluding those in the
37 department of economic security, the universities and the department of
38 environmental quality. The director shall submit the fiscal year 2008-2009
39 report by August 1, 2009 to the director of the joint legislative budget
40 committee. The reports shall compare the level of FTE usage in each fiscal
41 year to the appropriated level. For the purposes of this section, "FTE
42 positions" shall mean the total number of hours worked, including both
43 regular and overtime hours as well as hours taken as leave, divided by the
44 number of hours in a work year. The director of the department of
45 administration shall notify the director of each budget unit if the budget

1 unit has exceeded its number of appropriated FTE positions. The above
2 excluded agencies shall each report to the director of the joint legislative
3 budget committee in a manner comparable to the department of administration
4 reporting.

5 Sec. 48. Filled FTE positions; reporting

6 By October 1, 2008, each agency, including the judiciary and
7 universities, shall submit a report to the director of the joint legislative
8 budget committee on the number of filled, appropriated FTE positions by fund
9 source. The number of filled, appropriated FTE positions reported shall be
10 as of September 1, 2008.

11 Sec. 49. Performance measure results; reporting

12 As part of its fiscal year 2009-2010 budget request, agencies shall
13 submit the fiscal year 2007-2008 result for the performance measures listed
14 in this act. Agencies receiving fiscal year 2008-2009 budgets in Laws 2007,
15 chapter 235, shall submit the fiscal year 2007-2008 result for the
16 performance measures listed in that act as part of their fiscal year
17 2009-2010 budget request. If an agency fails to submit this information, it
18 shall submit a report to the joint legislative budget committee staff and the
19 office of strategic planning and budgeting as part of its fiscal year
20 2009-2010 budget request on why the agency failed to submit its results for
21 the performance measure.

22 Sec. 50. Transfer of spending authority

23 The department of administration shall report monthly to the director
24 of the joint legislative budget committee on any transfers of spending
25 authority made pursuant to section 35-173, subsection C, Arizona Revised
26 Statutes, during the prior month.

27 Sec. 51. Interim reporting requirements

28 A. State general fund revenue for fiscal year 2007-2008, not including
29 the beginning balance and including one-time revenues, is forecasted to be
30 \$9,138,365,500.

31 B. State general fund revenue for fiscal year 2008-2009, not including
32 the beginning balance and including one-time revenues, is forecasted to be
33 \$10,067,561,600.

34 C. The executive branch shall provide to the joint legislative budget
35 committee a preliminary estimate of the fiscal year 2007-2008 state general
36 fund ending balance by September 15, 2008. The preliminary estimate of the
37 fiscal year 2008-2009 state general fund ending balance shall be provided by
38 September 15, 2009. The estimate shall include projections of total
39 revenues, total expenditures and ending balance. The department of
40 administration shall continue to provide the final report for the fiscal year
41 in its annual financial report pursuant to section 35-131, Arizona Revised
42 Statutes.

1 D. Based on the information provided by the executive branch, the
2 staff of the joint legislative budget committee shall report to the joint
3 legislative budget committee by October 15 of 2008 and 2009 as to whether
4 that fiscal year's revenues and ending balance are expected to change by more
5 than \$50,000,000 from the budgeted projections. The executive branch may
6 also provide its own estimates to the joint legislative budget committee by
7 October 15 of each year.

8 Sec. 52. Definition

9 For the purposes of this act, "*" means this appropriation is a
10 continuing appropriation and is exempt from the provisions of section 35-190,
11 Arizona Revised Statutes, relating to lapsing of appropriations.

12 Sec. 53. Definition

13 For the purposes of this act, "**" means this appropriation is
14 available for use pursuant to section 35-143.01, subsection C, Arizona
15 Revised Statutes, and is exempt from the provisions of section 35-190,
16 Arizona Revised Statutes, relating to lapsing of appropriations, until June
17 30, 2009.

18 Sec. 54. Definition

19 For the purposes of this act, "expenditure authority" means that the
20 fund sources are continuously appropriated monies that are included in the
21 individual line items of appropriations.

22 Sec. 55. Definition

23 For the purposes of this act, "review by the joint legislative budget
24 committee" means a review by a vote of a majority of a quorum of the members.